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THE FRONT PAGE

THE chief occupation of Canadian Conservatives who do not look with favor upon the prospect of a distinctly leftward tendency in Conservative policy is looking for somebody with whom they can beat the Manion-Stevens combination. Dr. Manion has at the moment the largest amount of strength of any candidate who is in the field for the prospective convention. But he has not nearly enough to carry it, and it is the general expectation that he will not add very greatly to his present showing and will ultimately throw in his lot with the Stevensites. On the other hand, if he should manage to win the convention it will be by enlisting the Stevensites in his own following; and that looks almost as disastrous to the anti-left Conservatives as a Stevens victory, for it would place the good Doctor under large obligations to Mr. Stevens, obligations which with his easy-going character he would be likely to recognize rather extensively in the formulation of his policies. Mr. Stevens is already campaigning against the wicked monopolists, and is obviously committed to that sort of thing for his whole political future. Last week he turned up at the special select committee of the Manitoba Legislature on livestock marketing problems and told it that the packing industry was responsible for all the financial disasters of the livestock producers of Western Canada. The committee seems to have been deeply impressed.

UNFORTUNATELY the search for somebody to beat the Stevens-Manion crowd has not produced any very promising material among the ranks of the regular politicians, which accounts for some of the amazing suggestions which have got into the press and into public gossip, and which range from Mr. Beverley Baxter to Mr. J. W. McConnell and Mr. John Bassett. The latest additions to this list include Hon. G. H. Sedgewick of the Tariff Board and President Sidney Smith of the University of Manitoba. The fact that neither of these gentlemen has ever sat in a legislative body, or even sought the suffrages of the electors, does not seem to be regarded as a serious objection, and is undoubtedly a much less serious one than it would have been a few years ago. Nevertheless we find it hard to believe that anyone who has hitherto been on the outside of the political struggle will be able at such short notice to acquire a dominant following in the convention. If the situation develops in such a way that really desperate measures are necessary in order to defeat Mr. Stevens, it is by no means impossible that Mr. Bennett might be induced to suspend his resignation and carry on again for a few years, thus postponing for a while longer the inevitable day when the federal parties will have to make up their minds what they are going to do about the increasing strength of anti-capitalist feeling in the electorate.

SHALL WE GO LEFT?

AT THE moment, however, it is open to grave doubt whether a definitely leftward tendency is good politics for the Conservative party. Public opinion on the issues as between Big Business and the small man is in this country largely a reflection of public opinion in the United States on the same subject; and in that country the New Deal, which was supposed to give the small man a much better hand than he had every played before, has not exactly delivered the goods. Mr. Stevens was much closer to the feelings of the moment four years ago than he is today. It is good policy to denounce capital in Alberta, but only because it is not Albertan. It is good policy to denounce capital in Quebec, but only in those particular manifestations which are definitely not French-Canadian. Our feeling is that the Conservatives who do not want the Conservative party to annex itself to the Reconstruction party are politically right; but there is a great difference between being politically right and being successful at a Conservative convention.

THE TRAIL SMELTER AWARD

THE award of \$78,000 damages against the Consolidated Mining and Smelting Company by the special Trail Smelter Arbitration Tribunal brings to a close an irritating controversy that might easily have strained the good-neighborly relations between Canada and the United States. Incidentally the award is a striking vindication of the fair-mindedness and common sense of the permanent International Joint Commission, which had already been permitted to settle the question of the damages caused by the Trail Smelter to United States farmers up to the end of the year 1931, after which date the Company was required to reduce the discharge of sulphur fumes to a point that would not damage American vegetation. The International Joint Commission could perfectly well have effected a similar settlement of the question of damages since the beginning of 1932, but the United States Government preferred to insist on a special tribunal for this purpose, probably with a view to satisfying public opinion in the northern part of the State of Washington, which hoped that a different kind of international body would be more generous to the American claimants. The damages awarded by the International Joint Commission up to 1931 were \$350,000. The claimants were demanding several millions of dollars for the period commencing in 1932. As already stated, they obtained \$78,000. The special tribunal consisted of an American and a Canadian with a Belgian as chairman. The International Joint Commission, consisting of three Canadians and three Americans, is a permanent



THE FIRST FLOWERS from the surrounding farms brighten the Hamilton market as Spring comes to Ontario. Photograph by Reg. H. Williams, Hamilton. Leica, 1/100 sec. at F 5.6.

body created to deal with just such matters, and possessing many years of practical experience in connection with them. Its powers are confined to making recommendations to the respective Governments, except when it is specifically authorized by both of them to make a binding award. It is not necessary to suggest that it was the only logical body for completing the Trail investigation; but it is at least gratifying to find that the special tribunal insisted upon by the Americans in deference to local opinion has brought in an award which most completely vindicates the previous decision of the Commission.

AFTER FIFTY YEARS

IF Mr. Joseph Chamberlain could have known in 1886 what would be the terms of the agreement which a son of his was destined to sign over fifty years later between a British and an Irish Government, it is possible that he would have modified his opposition to Gladstonian Home Rule and that the history of the whole world during the past half-century would have been profoundly changed. It is not given to mankind to see so far into the future, and we cannot even be too certain of our conclusions when we are discussing the past. What we may be fairly sure of is that there is now dawning a period of reasonably friendly and co-operative relations between the British and the Irish nations, based upon mutual respect and a degree of mutual independence which would have seemed simply horrifying to the Joseph Chamberlain Unionists, and that this relationship will tend towards the strengthening rather than the weakening of the British Commonwealth. It is not a little astonishing to count up the number of events which have occurred even in the short four months since the beginning of 1938, which have materially increased the degree of good will, stability and hopefulness prevailing in many different quarters of the world. Is it not possible that the long drawn out process of settling down and readjustment which was needed after the great war is approaching

its end, and that the nations of the world are beginning to lose the mutual hostility and apprehension which have so long colored all their policies?

REMAKING THE LEAGUE

THE League of Nations Society in Canada, of which Senator Cairine Wilson is president, has summoned a national conference to be held in Ottawa on May 22-24, and is asking its branches and affiliated societies to hold preparatory conferences and discussions before May 5. The Society came into existence and is once again in a healthy condition. Its task is obviously difficult. The League whose interests it exists to promote is in a condition which renders inevitable a rather radical alteration of its structure and even perhaps of its basic principles; and the Society is therefore supporting something the exact character of which is to say the least of it indeterminate. But this makes it all the more important that Canadians who are not imbued with the ideas of extreme nationalism (as opposed to the internationalism which recognizes the obligations of every nation to the human race at large) should make their views known and their voices heard, and should unite with those of similar inclination in other countries before the process of remodelling the League gets under way.

Among the subjects to be discussed at Ottawa are some whose discussion can hardly fail to be useful. Notable among these is "The Constitution of Canada and Participation in World Society." The Constitution as at present interpreted makes any decent and effective participation in such a society practically impossible, by denying to the national legislature the power to carry out national obligations. There should also be some useful discussion on "World Economic Co-operation and Peaceful Change," in the course of which we hope that the debaters will bear in mind

(Continued on Page Three)

THE PASSING SHOW

BY HAL FRANK

THE pact between Great Britain and the Irish Free State is remarkably up-to-date. It's Eire-conditioned.

A wife is one you can't convince
That politics make any sense.
—Old Irish Manuscript.

And then there is the story of the film star who successfully passed unrecognized through a crowd. She left off her dark glasses.

American business men were correct in prophesying that the recession would be over in April. What they did not foresee was that it would be followed by a full-blown depression.

And we will know that this country is ripe for a dictatorship when we hear of a baseball crowd applauding the decisions of an umpire.

It is generally accepted that Premier Chamberlain has postponed war, but there is still complete mystification as to who postponed prosperity.

Henry Ford, who was to pay a visit to Mr. Roosevelt this week, announced in advance that he would not offer the President any advice. Mr. Ford is still evidently determined to maintain his solitary position among industrialists.

First Citizen: "Jones is an eccentric chap."
Second Citizen: "How so?"
First Citizen: "He hasn't got a plan to save society."

We suppose, supposes Timus, that the Japanese are charging up the cost of their war in China to incidental expenses.

Unemployment figures don't reveal the true state of affairs. They list the numbers of humans out of work but not the machines.

We doubt if historians of the future will ever get a complete picture of our era. There is no way of putting down into cold print the significant inflections of "So what?"

"War-conditioned" apartments are being advertised in London, England. The protection of course, is against external war, not family.

A cursory glance at the news-stands, remarks Oscar, suggests the thought that most of them should be described as magazine uncovers.

Speaking of undeveloped power, suggests a correspondent, what about the power of the voter?

A psychiatrist says that children worry about the depression, too. There is no doubt that their personal problems were less complicated when father was away at the office.

Fable: Once upon a time there was a radio announcer who described the virtues of an advertised product with a noticeable lack of enthusiasm.

Esther says that both she and Adolf Hitler were born in April, but otherwise, she hastens to add, they have nothing in common.

NEW LEAGUE FOR DEFENCE

BY J. K. MUIR

THE news that an organization has been established in Great Britain to direct the attention of the public to the urgency of the nation's defence problems, particularly with respect to the requirements of the Army and to defence against an aggression has turned the attention of Canadians to similar problems, which face ourselves.

The British movement, which is already enrolling members from an army of applicants all over the country, is known as The Army and Home and Empire Defence League. Its objects and plans have already been discussed in these columns.

On the announcement of the launching of the Army and Home and Empire Defence League in Great Britain Canadian citizens wrote to ascertain the objects of the association, and on learning the part this league will play in the Mother Country, it has been decided to establish a similar organization from coast to coast in the Dominion. Initial steps have been taken and it is proposed to organize a movement in this country whose purpose it will be to arouse the attention of the public in the defence problems of this country itself. It is planned that the organization will be civilian in character; that a public informed of the needs of the situation will constitute the membership of the organization and that the latter will strive by every means at its command to ensure that the Dominion will be placed in such a position, despite the present existence of aid from friends and neighbors, that Canada will maintain her own integrity as a nation.

BECAUSE Great Britain must think in terms of the Empire and Imperial defence, it is obvious that the British League must be Imperial in scope. Her possessions and interests in all quarters of the world must be defended from possible attack so that trade may continue without interruption. As a trading nation, Britain needs peace as a pre-requisite to ability to sell her products in overseas markets. Her hesitation to commit herself in continental embroilments is direct evidence that her statesmen realize full well the necessity of keeping out of trouble, but her quarters of the world must be defended at all times and against every possible threat.

Preparations to guard against possible attack of trade routes or of the country itself in these days are not sufficient in themselves because the isolation of Britain's island position has disappeared with the advent of modern aircraft. It has become necessary to supplement sea, air and land defence forces by mobilizing the people as a whole to perform their part in carrying out measures of defensive nature.

WHAT of Canada's part in Empire defence and in her own defence? Enlightened opinion in the Dominion has recently arrived at the belief that even if Canada desired to stand aloof from a war into which Great Britain was drawn, she might, despite herself, be compelled to participate. Canadians may look without pride at their present coastal defence measures. Trans-Atlantic trade routes used by shipping to and from Dominion ports are covered today by the British navy. In the Pacific the focal points of shipping are protected by the sweep of operations of the United States navy. It is conceded that our own naval forces are at present inadequate to defend our interests on either coast, and we have the poor satisfaction and at most the hope that the Mother Country on one side with the British navy and on the other the naval forces of our immediate neighbors will take care of our interests.

IN THE event of another world conflagration, if Canada stood out, it is extremely doubtful whether we could look for security to these sources alone. The situation is fraught with too many "ifs", and in the final analysis intelligent Canadian opinion has by slow stages been arriving at the conclusion that Canada must inevitably do the best she can to stand on her own feet in the matter of defence.

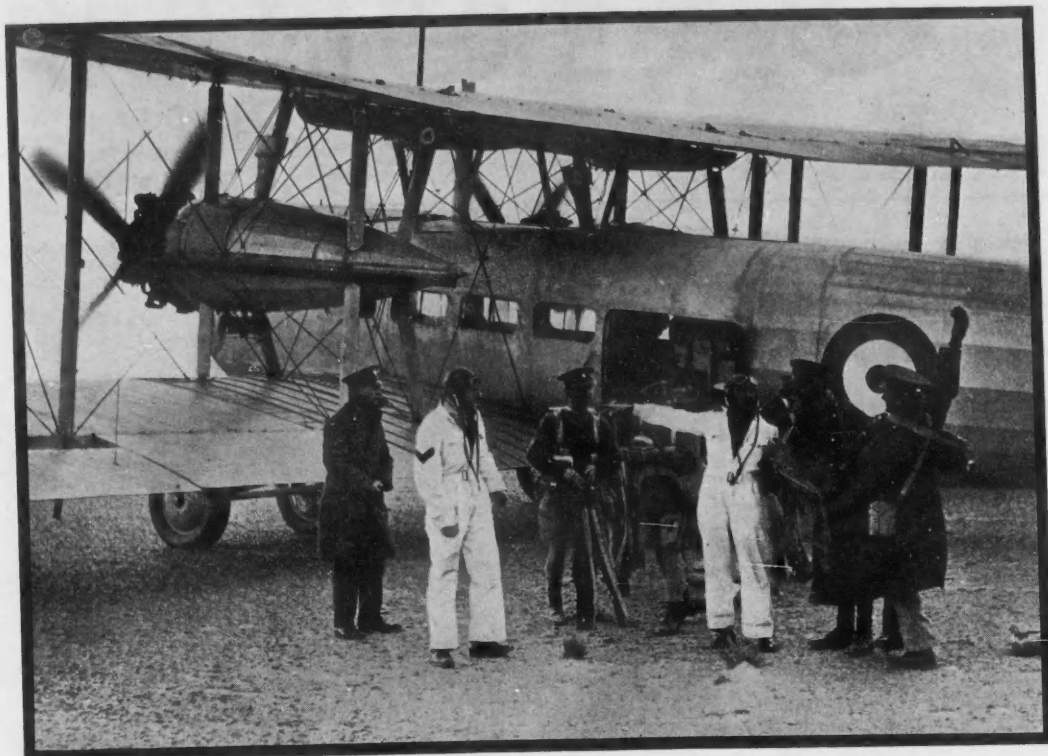
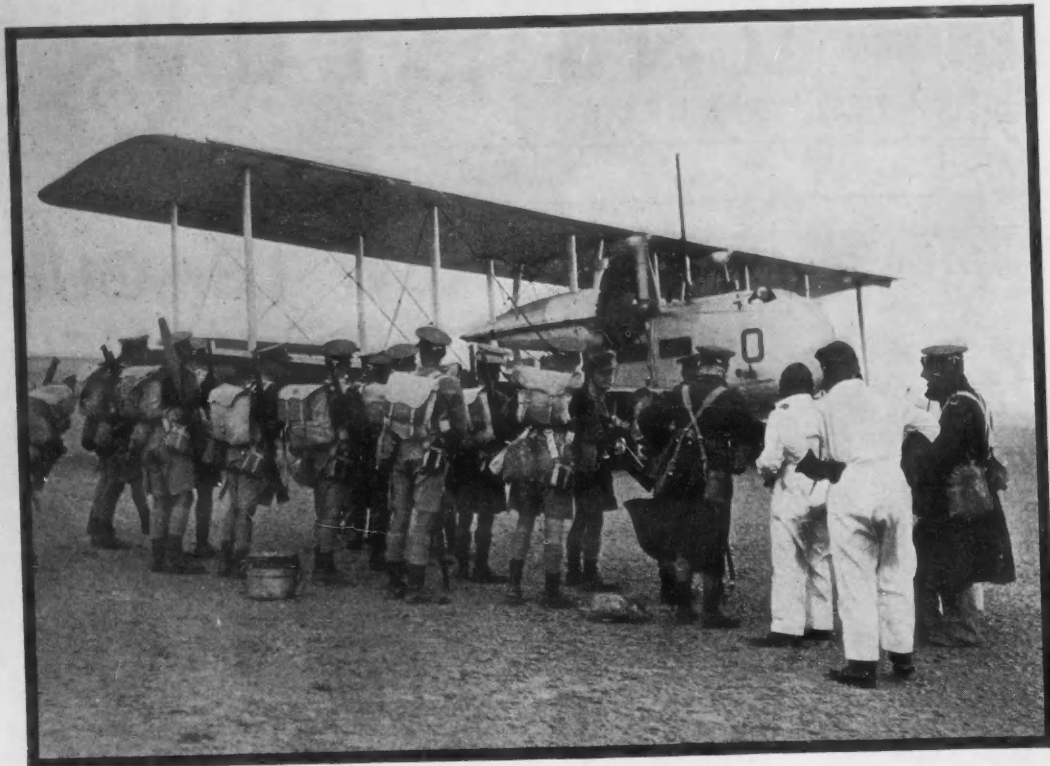
The question is not, to my mind, whether we can avoid participating in the next continental war, or even whether it would be to our interest either to stay out or take part. It is not whether Great Britain or the Empire without Canada enters such a contest or even whether the United States goes in or stays out. Ultimately the question boils down to this—whether the people of the Dominion desire to maintain Canada against aggression.

THAT may be another "if", but it is not as remote a contingency as it may seem. Even though Canada adopted an attitude of isolation in any general war, if for any reason the British and United States navies were occupied sufficiently to be compelled to abandon waters adjacent to our coasts, our ports and shipping would be as vulnerable as our limited naval, air and land defence permitted. At the present time the extent of that limitation is apparent even to the most obtuse.

The possibility of attacks of hostile aircraft in the future opens another avenue of speculation about which it is unsafe to make any prediction. Ten years from now will see advances in the power of fighting and bombing aircraft and in the range of their movements which today would look like a pipe-dream.

In any event, it is evident from experiences of weaker nations in the last two or three years that the maintenance of territorial integrity and political independence is only assured when there is sufficient strength to deter potential aggressors. It is also clear that weak countries or nations unprepared to defend their own interests are at the mercy of stronger countries.

TROOP MOVEMENT BY AIR as a modern military development. These pictures were taken during the co-operative exercises of the Royal Air Force and the British Army in Egypt. The problem of transportation of troops over desert areas was successfully solved by bomber transport squadrons. *Left*, troops waiting to embark in one of the ships. *Right*, a transport plane drops a patrol in the desert. The pilot is indicating directions to the officer in charge.



SESQUICENTENARY OF "HORSEMAN OF THE LORD"

BY JESSE H. ARNUP

JOHN WESLEY paid more turnpike tolls, Augustine Birrell tells us, than any man who ever bestrode a beast. "Eight thousand miles was his annual record for many a long year, during each of which he seldom preached less than a thousand times. Had he but preserved his scores at all the inns where he lodged they would have made by themselves a history of prices. . . . His *Journal* for fifty years is the most amazing record of human exertion ever penned or endured."

In St. Paul's Cathedral on the twenty-fourth of May, 1938, His Grace the Archbishop of York will conduct a service in commemoration of the conversion of John Wesley, which took place on May 24, 1738. Methodist folk of Great Britain are duly celebrating the bicentenary of this outstanding event in the life of their founder. The tumult and the shouting of their celebration are to be carried by radio to some thirty million Methodists around the world. One wonders what that little Anglican clergyman with the eye of an eagle and an unmistakable air of command would have thought of this world-wide effort to build the tomb of a prophet who was sufficiently persecuted back, by which he rode his way not only into the remotest hamlets of Great Britain but also into the religious and social history of the English-speaking world?

THE multitudes who honor Wesley after a lapse of two hundred years are in reality celebrating the beginning of the evangelical movement in England; for the evangelical movement received its principal impulse from the Wesleyan revival and the Wesleyan revival began with the conversion of John Wesley. This is not the place to recount in detail Wesley's spiritual pilgrimage. In the parsonage at Epworth he received careful religious training at the hands of Susannah Wesley, one of the great mothers of all time; the influence of Charterhouse School and Oxford University, his admission into holy orders, a brief missionary experience in Georgia and the fellowship of the Moravians each had its place in the preparation of what happened just two hundred years ago. Making due allowance for its own peculiar variations the story is a familiar one. In the life of every great religious leader the determining factor can be traced to some personal experience of spiritual awakening. St. Paul's magnificent ministry cannot be explained without reference to what happened on the Damascus road. Augustine and Martin Luther and Ignatius Loyola and John Bunyan each passed through a period of spiritual upheaval. John Wesley, therefore, was recording his essential qualification for admission to the glorious company of the apostles when he made the following entry in his now famous *Journal*, under date of May 24, 1738:

"In the evening I went very unwillingly to the Society in Aldersgate Street, where one was reading Luther's preface to the Epistle to the Romans. About a quarter before nine, while he was describing the change which God works in the heart through faith in Christ, I felt my heart strangely warmed. I felt I did trust in Christ, Christ alone, for salvation; and an assurance was given me that He had taken away my sins, even mine, and saved me from the law of sin and death. I began to pray with all my might for those who in a more especial manner deservingly used me and persecuted me. I then testified openly, to all there, what I now first felt in my heart."

THE historian Lecky, who was a Roman Catholic and something of a rationalist, has recorded his estimate of that experience as follows: "It is scarcely an exaggeration to say that the scene which took place in that humble meeting in Aldersgate Street forms an epoch in English history." Undoubtedly it formed an epoch in the life of John Wesley. Whatever explanation or estimate we give to the experience itself the fact remains that if Wesley had ended his career on the twenty-third day of May in that year 1738 there would have been no celebration of his achievements after the lapse of two hundred years. There would have been no occasion for a Wesley tablet in Westminster Abbey or a portrait in the Great Hall of Christ Church College at Oxford. Like most other men he would have dropped out of sight without ever being heard of again. Already he had been ordained for thirteen years but had accomplished nothing to lift his head above those of his fellows. His missionary career in Georgia had ended in failure. He was a devoted but narrow and bigoted clergyman and a Fellow of Lincoln College, all of

which seemed to mark him out for a limited academic career as an Oxford don. Then this fresh experience of God set him loose from many limitations and stimulated all his natural powers. Immediately his preaching took on a new note of authority. Like a medieval knight he rode far and wide—a crusader for God. In an amazing ministry of more than fifty years this horseman of the Lord travelled forty-two thousand and fifty thousand miles and preached forty-two thousand sermons. Little wonder that Samuel Johnson, himself a High Churchman and a friend of Wesley's, complained at the brevity of his visits: "John Wesley's conversation is good but he is never at leisure. He is always obliged to go at a certain hour. This is very disagreeable to a man who loves to fold his legs and have out his talk as I do."

JOHN WESLEY may be said to have had a genius for religion. Now it is proverbially difficult to fit men of genius into existing organizations and Wesley was no exemption to the rule. The element of contradiction was not absent from his experience nor following largely ill-cultivated and often uncouth. Precise and logical in speech, his public utterances were sometimes the occasion of demonstrations marked by extremes of uproar and confusion. Of diminutive stature, by the power of his personality he was master of assemblies and dominated great crowds, subduing them to his will; frequently he went uncowed and unhurt from the presence of hostile mobs. Accused of every sort of heresy and mis-called in turn a Quaker, a Jesuit and a Jacobite, it was his frequent boast, "I teach nothing but the plain old religion of the Church of England." Starting out as a High Churchman and never ceasing to prize his standing as a clergyman of the Church of England he took it upon himself to ordain ministers to meet the needs of his growing congregations; he even essayed to ordain Dr. Thomas Coke as Bishop of American Methodists. During a long life spent mostly on horseback (later his friends gave him a chaise) he read widely, and in mere shreds and patches of leisure wrote more than two hundred books, large and small, and edited or abridged as many more. His *Journal* (now preserved in eight volumes) ranks with the

Diaries of Pepys and Evelyn as an objective study of English life in his century.

As with most prophets, the result of Wesley's preaching were negative as well as positive. Although great crowds attended his ministry—or was it on account of that fact?—those in authority were displeased. One by one the churches were closed against him. He writes in his *Journal*, "I was enabled to speak strong words . . . at St. Anne's, and twice at St. John's Clerkenwell, so that I fear they will bear me there no more." "To such a crowd as I never saw before at St. Clement's in the Strand; as this was the first time of my preaching here, I suppose it is to be the last." "I preached in the morning but was not suffered to conclude my subject in the afternoon." After a particularly searching sermon he was shut out of St. Mary's, Oxford. Another and quite different pulpit was denied him when he was refused permission to preach again, or even to visit the prisoners condemned to die, in Newgate prison. "All Newgate," he had written, "rang with the cries of those whom the word of God had cut to the heart." Such preaching an alternative course became inevitable. Led by George Whitefield and in violation of all the Wesleyan tradition, he took to the fields and the streets. Here is the record: "At four in the afternoon, I submitted to be more vile and proclaimed in the highways the glad tidings of salvation, speaking from a little eminence in a ground adjoining the city (Bristol) to about three thousand people." From that day forward crowds were to be measured only by the range of Wesley's voice, which had remarkable carrying power. At Moorfields and on Kennington Common in London, at Kingswood near Bristol and at numerous other spots from Cornwall to Newcastle John Wesley went out into the highways to compel them to come in. Numbers ranged from a few hundreds to three or four and even twenty thousand at one service. Shut out of his old home church at Epworth he stood upon his father's tombstone in the churchyard and preached to great crowds whom neither he nor his father had ever been able to entice within the church. In spite of ecclesiastical opposition and the efforts of hostile mobs the evangelical revival was on its way and the Lord's horseman was coming into his own. Of the positive results of that revival the world-

wide Methodist church is only one example. The direct benefit to Established and Free churches was beyond all means of measurement. Undoubtedly the Wesleyan movement found religious life at a low ebb in England. The Cambridge Modern History calls the early eighteenth century "a period of dim ideals and expiring hopes." W. H. Fitchett has asserted that "At the point of its faith England was dying." If that seems extreme one can turn to Bishop Butler for a note of authority. He recorded his view of the outlook as follows: "It has come, I know not how, to be taken for granted by many persons that Christianity is not so much a subject of inquiry, but that it is now at length discovered to be fictitious." Then came John Wesley and his associates, who taught and testified to an immediate experience of God, bringing new inspiration and power into the daily life of ordinary men and women. "The Church," says John Richard Green, "was restored to life and activity."

SPRING BURNING

BEYOND the twirling wood smoke
The fixed town with factories, railroads and steeples
Wearies, with its static grin, its subterranean
Even the auto traffic is a conventional starting and
stopping.
But the flames nearby, breaking away, bloody and
rapid,
Bewilders me into an acceptance of misty hills,
Making me husky and excited, affronted by houses,
Rebuffed by what keeps me from my own.
Again I am little and a dog is important;
After years, my obedience to birds, trees and brooks,
While the fluff of burnt grass in my hand
has carbonized me to the soil.

—ALAN CREIGHTON.

Before the end of the century this new impulse had begun to bear fruit in many different directions, notably in development of the modern Sunday School movement and the world-wide enterprise of Christian missions.

Indirect results of the Wesleyan revival and the evangelical movement were not less notable. In reading biographies of Wesley—something over one hundred have been written—one is disposed to discount some of their statements about social conditions in the early eighteenth century. It is more difficult to doubt the testimony recorded by John Richard Green in his *Short History*:

"At the other end of the social scale lay the masses of the poor. They were ignorant and brutal to a degree which it is hard to conceive . . . schools there were none. The rural peasantry were left without morals or religious training of any sort. . . Within the towns it was worse."

Into this situation rode the Lord's horseman and, as he preached, tears of penitence made white courses down the grimy cheeks of miners from the pit and rough laborers from the docks. As a result, "Religion carried to the hearts of the people a fresh spirit of moral zeal, while it purified our literature and our manners. A new philanthropy reformed our prisons, infused clemency and wisdom into our penal system, abolished the slave trade, and gave the first impulse to popular education."

The working out of these reforms in some instances carries us into the nineteenth century but there seems no reason to doubt that they owed their initial impulse to the evangelical movement. John Wesley himself was one of the earliest public men in England to denounce the slave traffic. The very last letter of his life was written to William Wilberforce to strengthen his hands in his fight against the slave trade. Wesley was equally strong in denouncing the system of slavery itself. John Howard of prison reform fame also received encouragement from John Wesley. Lord Shaftesbury and his associates in the long campaign to secure education for the poor and to alleviate industrial conditions in England acknowledged their debt to the inspiration and teaching of the evangelical movement. At a later stage the British Labor Movement drew a disproportionate number of its leaders from among followers of John Wesley. Men who owed their desire for personal and social betterment to the influence of the church received their training as local preachers and thus were qualified for leadership in the local or larger labor unions. Some of them went on to Parliament and rose to high position. Such were the late Right Hon. Arthur Henderson and Phillip Snowden, Viscount Icknesham. The horseman of the Lord has ridden into a permanent place in English history. Perhaps the Archbishop is justified in observing the bicentenary of his conversion.

THE EDITOR'S NOTE BOOK

BY B. K. SANDWELL

I HAVE just finished reading "Les Demi-Civilisés" of Mr. J. C. Harvey, who in spite of his very English surname is one of the most important of the younger French-Canadian writers. It can seldom have been given to an author to prophesy his own career in one of his own novels to the extent that Mr. Harvey has been able to do. For the hero of this novel, which appeared in 1934, becomes the editor of a French-Canadian review which is exactly the kind of a review that Mr. Harvey would like to edit; and three years later Mr. Harvey found himself editing *Le Jour* which allows him great freedom and which comes as near to being what he would like to edit as reality ever comes to our dreams. It is true that the hero of the novel attains this position as a result of his rather exceptional—for a French-Canadian novel highly exceptional—endowments in the way of sex appeal; and we have no reason to suppose that Mr. Harvey's editorship was due to anything of the kind. But in numerous other respects at any rate the hero of "Les Demi-Civilisés" is decidedly autobiographical. The most interesting thing about the novel is the courage with which the author has dared to present a view of life in the city of Quebec which is very far from being what we in the rest of Canada would call a "Sunday School" view, and which deals almost as frankly with non-matrimonial relations as the average American novel of the period. I do not think Mr. Harvey's courage has found many imitators in French-Canadian literature in the four years that have elapsed since this book appeared. In spite of the fact that his first novel had appeared as much as twelve years earlier, "Les Demi-Civilisés" is the book of a young man, but of a young man of original intellectual power, strong feeling, and a delicate literary skill.

THE current dispute as to whether the late Grey Owl was a half-breed Indian who occasionally masqueraded as a Cockney, or a Cockney masquerading as a half-breed Indian, seems to lose sight of the fact that he might really have been both. He never pretended to be an Indian of the kind to whom the tepee and the deer-skin leggings are a lifelong habit. He adopted that sort of equipment because it was the sensible equipment for doing what he wanted to do, namely to live as closely as possible with the wild creatures of the woods. It must not be forgotten that his success as a popular expounder of wild animal life was exceedingly gradual. I well remember one of his earliest appearances, prob-

ably twelve years ago, with his first moving picture film of beavers and other wild animals. While he made a brief platform appearance on this occasion, he had very little to say, and said it in the most artless and evidently reluctant manner. There was not a trace of the attitude of the circus performer, which has been ascribed to him, and he seemed to avoid rather than court publicity. His style of writing was so different from that of the ordinary educated Englishman that the publisher's assistant who undertook to convert his first volume into literary English practically ruined it in the effort; it is almost impossible to believe that the highly effective turns of phrase and of thought which characterized his own writings were a deliberately assumed pose and not the natural result of heredity with a strong foreign element in it.

MR. HUGH MOLSON, the young Canadian-born British politician who sat for some years in the House of Commons at Westminster but lost his seat in the last election, has been provided with what is considered a safe, Conservative constituency in the High Peak division of Derbyshire for the next general election. Mr. Molson, who visited Canada a year or two ago, is one of the brainiest of the younger Conservatives and has been a frequent contributor to such magazines as *The Nineteenth Century*. As he is still in his early forties it would not be surprising to see him in the near future with a foot upon one of the lower rungs of the ladder of office.

DR. PELHAM EDGAR, who retires this summer from the headship of the Department of English in Victoria College, Toronto, has lectured in that institution continuously for 42 years, which is a record so far as the present staff are concerned and is believed to be a record for the entire history of the College. He is the author of several standard works of criticism concerning English fiction, and the publisher who induced him into that activity is Hugh Eayrs, President of the Macmillan Company of Canada, who told the Canadian Authors Association the other day that he had been looking up the entry in his diary regarding his first meeting with Edgar seventeen years ago, and found that it included the note "Curious person but, I should think, interesting." The authors are waiting with great zest for more extracts from Mr. Eayrs' diary.

THE FRONT PAGE

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that there is no part of the world in which change would take place more rapidly, if it were not for the existence of very substantial fighting forces to prevent it, than this same Dominion of Canada. The conference is to be called "Canada's Peace Parliament," but for many reasons we do not think that the term "Peace" in this title is to be taken as meaning peace at any price or under any conditions, but rather the kind of peace which is reasonably attainable as a result of proper understanding of and sympathy with the just claims of other divisions of the human race.

HOW AUSTRIA FEELS

CANADA is beginning to receive visits from observers who were in Austria at or just before the time of the Anschluss, and their account of what took place puts a slightly different light on that transaction. The cable correspondents have failed to remind us—the censorship possibly would not have allowed them to remind us—that Italy, the hereditary foe of Austria, has long been not only the guarantor of Austrian independence but the predominant factor in all Austrian policies. The idea that the Austrians were unanimously grateful to Italy for preserving their independence must therefore be largely discounted; no nation likes to enjoy an ostensible independence at the price of being really controlled by a hereditary enemy. Many non-German Austrians were evidently quite pleased at having the Brenner Pass commanded, not by Austrian guns which would never fire upon Italy, but by German guns which are quite capable of firing upon anybody.

The Germans have gone out of their way more over to be conciliatory to the Austrian Socialists, all except those who were too definitely smeared with the taint of internationalism. One of Herr Hitler's first speeches after the Anschluss explained how he had been able to arrive at the truth as embodied in the Nazi party by "a fusion of Marxian and Nationalist principles," which is obviously a very different attitude towards Socialism than that of either Dr. Schuschnigg or Signor Mussolini. Most important of all is the fact that the Austrians now know where they are and what is their future, things which they have not known at any time since 1920.

The situation in Czechoslovakia is likely to be very different. With the exception of the Jews, no important racial element in Austria was fundamentally hostile to the Germans. The Czech population, though once a part of Austria-Hungary, have no German inclinations and could not easily if at all be reconciled to German control.

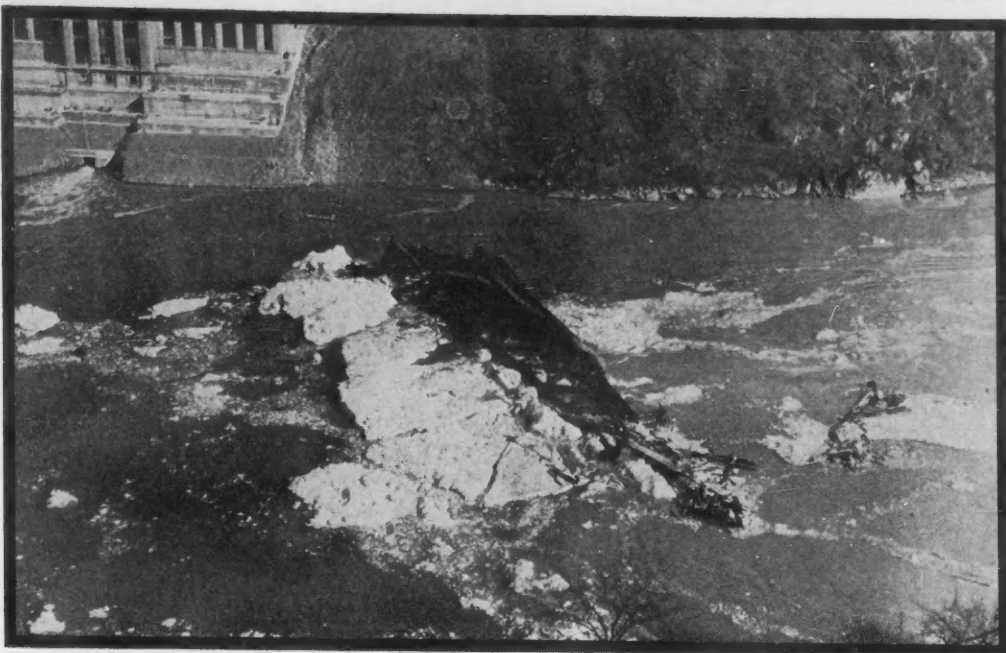
THE TREMENDOUS HANDICAP

SO MUCH progress has been made in recent years in the training of the blind to take their places in the normal life of the Dominion that their average sighted fellow citizen has possibly come to regard too much as a matter of course the wonder of a blind man successfully operating a drill-press in an automobile factory, or a sightless but successful business or professional man, or a blind woman conversing charmingly and intelligently about the recent novel she has read. But even with the most modern specialized training, the handicap of the blind is still tremendous. If the book which the blind woman discusses happens to be "Gone With The Wind" she probably does not mention that the Braille edition of this novel in the library of the Canadian National Institute for the Blind in Toronto is in twelve volumes and that each volume is more than twice as large as the single volume edition for sighted readers; nor does she tell you that her sensitive fingers have to travel across eight and one-half miles of Braille characters in reading it. The blind who do keep abreast of current events and current literature and who make themselves economically successful still do so only as the result of tremendous effort, courage and fine training. No institution in Canada has approached the Canadian National Institute for the Blind in its activity to provide the best possible training for blind persons or those in danger of losing their sight, nor in its program to maintain the courage of the thousands whom it assists, nor in its campaign to prevent blindness wherever it is preventable. The Institute's current appeal for funds in Toronto is therefore worthy of very generous consideration.

TWO CANADIAN TONGUES

ONE of the most interesting movements in connection with the growing intimacy between the Province of Quebec and the Province of Ontario is the "Visites Interprovinciales" under the management of Mr. J. H. Biggar, a member of the staff of Upper Canada College, who has been in Quebec for the past week arranging for the domiciliary accommodation of Ontario students in that Province during the coming summer. The students go into residence for several weeks in the homes of selected French-speaking families, and are thus enabled to acquire not only a conversational facility in the use of the language but also an intimate understanding of the ideas and ideals of their fellow-Canadians. The scheme has now been in operation for several years with thoroughly excellent results. It operates in both directions, as similar arrangements are made for the accommodation of Quebec students in Ontario.

That there is need for something of the kind will be denied by few, especially in view of the repeated evidences of lack of understanding between the two races in Canada. We were much impressed by the reasons advanced in the Toronto Board of Education for declining to put certain school premises at the disposal of the Canadian Youth Congress for its annual meeting next month. One of the reasons was that too many classrooms were asked for and that it would be impossible to get them in shape for the regular school sessions each succeeding day; which sounds like a reasonable objection. The second was that the societies represented in the Congress include some Communists. And the third was that "French would be spoken by some of the delegates." It appeared to be the view of the trustees who raised this last objection that the sound of the French language would have some destructive or insanitary effect upon the premises of the Harbord Collegiate.



FINAL CHAPTER. At the time of the collapse of the famous "Honeymoon Bridge" at Niagara Falls last Winter, *Saturday Night* graphically recorded the event for its readers. Here is the end of the story, a photograph taken ten seconds before the final section of the steelwork disappeared beneath the waters of the Niagara River. The picture was made by Gordon A. Fraser, of Niagara Falls, Ont., at 4.05 p.m. on April 12.

RELIGION IN RUSSIA

BY J. ALLAN CASH

Mr. Cash, who is well known in Canada as a camera journalist, has been travelling for the last year or two in various out-of-the-way parts of Europe. While this article was written before the recent revival of persecution of religious leaders in Russia, it shows how easily the religious organizations would fit into any project of revolt against the present régime.

IT IS not easy to come upon a church service in Russia today. There are not many churches open, and religious days may come on any of the six days which comprise the Soviet week. But I was fortunate in Leningrad when a regular service took place in one of the churches. The congregation nearly filled the church and people of all ages were represented, although most of them were elderly. The singing was excellent and there was not the slightest doubt about the religious fervor of the people. One of the priests was quite young but his enthusiasm was patent to all. Passers-by took little notice when the crowd poured out into the street.

It was the same in Moscow, where I saw a priest walking through the streets in the usual long grey robes and with his hair rolled up in a knot on the back of his head. He carried an umbrella in one hand and a bundle in the other, and the only reaction from people he passed was a few good-natured cries of "Poppa, Poppa." When I raised my camera to take his photograph he waved his umbrella at me and made some smiling comment which I missed.

In Tiflis I went on a round of churches with a young Georgian who has been in the U.S.A. for some years. He was quite at home in Tiflis, where he was born, and spoke both Georgian and Russian. Our first call was at St. Simon's Cathedral, now more than a thousand years old. It was full of priceless icons, pictures and precious metalwork, and had not been damaged in any way. There was an elderly priest

jolly, old, grey-froked priest chatting to a group of women. Inside there was little decoration as in the Greek Orthodox Church, but the building was in a good state of repair. From behind a screen the deep intonations of a male voice echoed around the bare walls, but there was no one else in the church.

In the lower part of Tiflis there is a tiny shrine guarded by an old white-haired woman who smiles at one and all in a friendly fashion. It is merely a little alcove with a religious figure painted on the wall and a few brackets to hold candles, but apparently there are enough people passing by who will pause a moment to go inside and pray, light a candle, and drop a coin in the money box to support it.

WE TALKED to a priest in another church—a comparatively new one, built in 1907—who said that many people came in to services there from the country. It contained some fine icons and a few pictures—one of St. George and the Dragon—but most of the walls were bare and white. The priest explained that they were to have been painted but the Revolution put a stop to it, and now "the Government will not spend money on churches, so they will probably never be done."

He had a kind, sad face, like that of a saint. He told us that the priests had been persecuted there considerably, but he did not blame the Government. It was due to over-zealous local officials, and as soon as the Government learnt what was going on it promptly put a stop to it. The Church, he admitted quite frankly, had taken an active part in anti-revolutionary work and had suffered the consequences. One of his own bishops had been caught using the Church as a mask for anti-revolutionary activities, and this had brought much trouble down on them all. But now everything was all right, he said, and no one troubles them at all.

While we were talking the priest's little girl came in. She was about eight years old and was wearing a pretty little print dress. She was chewing some kind of green leaves and as she sat down carelessly on the dais in the centre of the church, she spat out the stalks on to the carpet. The priest chided her but she took not the slightest notice. Then she watched one or two people who were praying before the icons and was just about to make some remark when her father stopped her. Soon after that she got up and strolled out, with an expression on her childish face which looked like the utmost contempt for her father's profession and the Church in general.

This man, also, allowed me to photograph him. He was rather shy about it and would not go out of the door into a good light, and before I took his picture he pulled out a comb from within his robes and ran it through his beard.

WHEREVER possible I got on to the subject of religion with the guides in different places. None of them believed in it, and most of them gave me the impression that they thought there were many more interesting things to talk about. One man whom I met in Kharkov was willing to discuss almost any subject. I asked him if he thought the Russian people would ever go back to religion. "No," he replied, "the break was utter and complete." I insisted that religion of some sort was to be found in every race on earth and that I thought it would return to Russia. "Never," he said, "you do not understand how great the break was." Then he told me some of the fakes which had been disclosed at the famous monastery in Kiev, the Kiev Pechevskaya Lavra, and many similar things. I went through this monastery later and could only conclude that the Russian people were certainly better off without their church as it was in Tsarist days; it was probably the most corrupt church in the world. My friend was not bitter, but it was impossible to shake him from his belief in the Communist attitude to religion.

There was a case which received much attention in the Soviet newspapers while I was in Russia, about a Stakhanovite girl worker on a State farm in Siberia. It seems that she was religious, and the farm soviet wondered if it was right that a worker who was held up as a good example to others should be a church-goer. They referred the matter to Moscow and the answer came back promptly that religion was a purely personal matter and that this girl was entirely free to go to church if she wished. The new Constitution recognizes "freedom of religious worship" as well as "freedom of anti-religious propaganda for all citizens." Everyone over the age of eighteen has the right to vote or to be elected, and this automatically includes priests as well as others whose rights were previously limited. But it is doubtful if a priest will ever be elected to an important post where so few people believe in religion.

We hope you'll live to be a Hundred

But of course the length of life is an uncertainty, and it is against such uncertainties that all of us must prepare. For this reason it would be wise to make your will promptly; or, if you already have one, to check over it with your attorney to see if it is up to date.

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SALUTE TO SNOW-WHITE

DAFFODILS are only fifteen cents a bunch! (But the edges of my fur-piece look pitifully brown.) A robin carolled early, before the rain began— And Snow-White, Snow-White, Snow White is in town!

"Snow-White!" . . . "Snow-White!" . . . You hear excited cries Blown about like paper scraps through the misty skies; Little boys with guns in hand, children on tip-toe, Worried mothers twitching skirts to keep them in a row;

Tall policemen smiling down at the jittery throng, Hurdy-gurdy music helping things along, Grown-ups buying papers to get the latest views Of stock declines, and murders, and European news, Chauffeurs, beggars, parents shuffling up and down— What an hour for fairyland to hit this busy town!

Snow-White, Snow-White—do you really say Through the colored jingle of an old nursery rhyme How we're all rushing madly down the wrong alleyway Instead of finding life again in exquisite young time? If magic-making's easy As you'd have us understand, Snow-White, Snow-White, Welcome to this land!

—BY KATHERINE HALE.

and an active young assistant, who were quite ready to talk to us. They showed us their special treasures, including a cross trimmed with silver which Saint Nina is supposed to have brought to Georgia from Jerusalem 1,700 years ago. They claimed that many people attended this church, and certainly it looked prosperous enough. While we talked several people came in and knelt in prayer before various icons; more than one lit candles.

OUR next visit was to a synagogue. A number of roughly-clad Jews were sitting on forms in a sort of courtyard near the door, and they eagerly offered to show us through their church. They spoke Georgian and even used this language in their services, so they said, but they could use whatever language they wished. This freedom in the matter of language is one of the strong points in the Soviet's attitude towards the national minorities, and nowhere is the Russian language forced upon them; it is often taught in the schools as a foreign language.

These Jews were most enthusiastic about Soviet rule. There is no doubt that the Jews in the Caucasus suffered much in Tsarist days. Everyone hated them and they were unmercifully persecuted. My Georgian friend told these men how he himself had been taught by his parents that the Jews killed babies, drained their blood and used it at religious feasts, and many other tales to the same effect. There were tears of emotion in one old man's eyes, and his only complaint today was that their synagogue was not large enough to hold all the people who came to the services.

On the steps of an Armenian church we found a



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—Ottawa Letter

POLICY COMES FIRST

BY RIDEAU BANKS



NEW PRESIDENT. J. P. Pratt, K.C., who will head the Empire Club of Canada for the next year. Mr. Pratt is Regional Council for the Canadian National Railways, at Toronto.

IN THEIR more depressed moments, when they perhaps approach closest to genuine consciousness, Parliament Hill Statesmen are occasionally visited by the intuition that the old slogan "My party right or wrong" has a more limited application to present-day democracy than it had to the national politics of only a few generations ago.

The idea is—from the standpoint of the politicians—a disturbing one. For a party that is in power it is, at the very best, admonitory food for thought; while, for a party that is out of power but scheming to return, it is even more pregnant with warning counsel.

Because, obviously, if loyalty to parties by reason of their names alone no longer exists on a broad scale amongst the Canadian body politic, a party which is under the necessity of staging a "come-back" cannot afford to act with all the recklessness that some of the interests attached to it might like to display. It must consider, in other words, not merely the attraction of new votes, but also the retention of traditional support.

And it is in the terms of some such problem as the foregoing that political interests on Parliament Hill are coming more and more to discern the most difficult decision that will have to be made by the approaching convention of the Liberal-Conservative Party—or is it already the National Conservative Party?

As Federal circles view the situation in advance, while selection of a national Leader will be the occupation of greatest popular interest and, superficially at least, of prime importance, a problem of at least equal urgency will be the reaching of a definite, unequivocal decision upon the following question:

Is the Conservative Party—regardless of whether it remains Liberal-Conservative or becomes National Conservative—to continue to represent the

conservatively-minded people of the Dominion?

One of the statements heard most frequently around Parliament Hill during the dark days which the past few years have held for political Toryism is that there must always be a Conservative Party; that the Conservative Party can never die. And on superficial examination such an assertion may not seem unconvincing. It at least contains the residuum of solid truth that there must always be conservatively-minded people who will demand some medium of political expression.

The point which the statement overlooks, however, as Federal circles view it, is that if the Conservative Party should cease to represent the views of conservatively-minded people, it might—indeed, unquestionably would—cease to be used by them as their medium of political expression.

In other words, when political conservatism ceases to stand for real conservatism, the political party, regardless of the most brilliant strategic efforts of its master minds, is fated to commence automatically to die.

Consequently, the re-affirmation by the coming convention of a Conservative faith which will enable the party to appeal with assurance once more to the real conservatives of the Dominion is regarded on Parliament Hill as a task for the delegates which is not even second in importance to the choice of a suitable National Leader.

FEDERAL observers regard the danger of the Conservative Party ceasing to represent true conservatism after the approaching convention as far from imaginary. And it is seen as coming from two directions. In the first place, there is the sentiment which exists among a prominent group of political Conservatives for a reconciliation with Hon. H. H. Stevens, who bolted the Bennett Cabinet on almost the eve of the last general election to form his own Reconstruction Party. And, in the second place, there is the movement which is on foot to court an alliance with Premier Maurice Duplessis and his Union-National followers in the Province of Quebec.

Neither of these situations stands definitely outlined as yet. The status to be accorded the mercurial "Harry" Stevens if he should turn up at the July meeting is still a matter of disagreement among the convention managers. At a recent meeting it was decided that the list of delegates should include "Conservative Privy Counsellors who support the Party." By some it is held that this definition was intended to admit the erratic former Minister of Trade and Commerce; by others that it was intended specifically to exclude him. Both views can be argued. For, while certainly by origin he is a Conservative Privy Counsellor, Mr. Stevens still describes himself in the latest Parliamentary Guide as a member of the Reconstruction Party. The question is whether he is bound by that description of himself given some months ago, or whether he can qualify as a delegate by a simple recantation of his Reconstruction Party adventure, since it is for all practical purposes a thing of the past—the present-day existence of a Reconstruction Party being no more than a polite political fiction.

THE argument in favor of burying the hatchet with Mr. Stevens is, of course, the prospect of annexing to political Toryism the 350,000 votes which the Reconstruction Party polled in the last general election. Among many Conservatives who stand by the old party faith it is contended, however, that Mr. Stevens no longer controls those votes. The Reconstruction Party, it is argued, is dead, and its followers already returned to the allegiances which they left for their 1935 heresy. Peace with Mr. Stevens, accordingly, is described as peace with a general who has no army to offer. As to the advantage of having the aid of Mr. Stevens personally, it is contended that on the strength of the results which followed from the Customs Inquiry and the Price Spreads Commission, political conservatism is better off without him.

The great menace of Mr. Stevens' return to the party, so far as any policy of real conservatism is concerned, does not lie, however, in the personal strength of the Leader of the Reconstruction Party, but in that strength in combination with the strength of others. For Hon. W. D. Herridge will certainly be at the convention and will be a candidate for the Party leadership. Already he is around the country obviously throwing his hat into the ring by public speeches. It is an almost certain wager, however, that

if Mr. Stevens is at the convention and a person of influence, he will be there in support of Mr. Herridge. And in view of a former strong association which existed, it would also be surprising if Hon. Dr. R. J. Manion, once he is eliminated from the race—as it is now believed certain he will be before the final ballot—should likewise throw his strength to the former Minister to Washington.

In brief, on the assumption that Mr. Stevens is amongst those present next July, there would seem to be the definite possibility of a Herridge-Stevens-Manion coalition which might come dangerously close to returning the first-named member of the alliance to the leadership, or—in default thereof—splitting the party irreparably. And in the considered judgment of Parliament Hill true conservative opinion in the country would never endorse a political conservatism professing a Herridge-Stevens-Manion program of so-called social reform or "economics of abundance."

THE situation, so far as the Duplessis alliance is concerned, is even more fraught with danger of offence to Conservatives who hold their principles ahead of their party. The understanding on Parliament Hill is that Mr. Georges Heon, recently elected M.P. for Argenteuil, represents Premier Duplessis in Federal matters. At least, his title to being considered spokesman for the Quebec Premier has never been questioned. This same Mr. Heon, however, made a speech in Montreal a few weeks ago in which, according to full and apparently careful reports in the daily press, he urged that Canada should adopt a foreign policy of her own based upon the expectation that the British Empire was in its twilight and destined to disintegrate shortly.

Now, the attractions of a Tory alliance with Premier Duplessis are all too obvious. In the present strength of the Union National it is not inconceivable that it might mean a start of 45 seats in Quebec Province when the next general election comes. But traditional Conservatives are disposed to balk at purchasing even 45 seats at the price of endorsing a foreign policy predicated upon the belief that the British Empire is destined to disintegrate in the years ahead. Such a course might be good politics; but it would not be real conservatism. And already warning signs are not wanting from the party's traditional supporters that if such a policy be the price of a Duplessis alliance, that Toryism should unhesitatingly put its historic principles first.

In short, the coming convention is being called upon by the real conservatively-minded people of the Dominion to furnish them not only with a Leader whom they can support without reservation, but also with a policy which they can accept and promote with all conscience.

COMING EVENTS

WHEN the famed Orson Welles-Mercury Theatre production of "Julius Caesar," now on tour under the management of Alex Yokel, comes

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WALLACEBURG

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to the Royal Alexandra Theatre for one week, beginning Monday, May 2, with matinees on Wednesday and Saturday, it will expect to play to the same audiences that stood to see "Richard II" and the two "Hamlets." Both New York and Chicago theatre-goers have manifested almost frantic enthusiasm over the so-called modern production which in reality is the original Elizabethan treatment of the Shakespearean tragedy, designed to rend the audience with excitement and hair-raising spectacle.

This "Julius Caesar," presented in modern dress, harnessed with the magic of lighting and urged through breathless pace without intermission, is walking a great many people up besides Mr. Benchley. Add to the many records the production has been chalking up, the all time record for absence of sleepers or nodders in the audience. For so exciting, so invigorating is Welles' staging, so completely lacking any trace of stuffiness and academic pompousness, that "Julius Caesar" emerges as something no one who read it in high school suspected it of being—a thrilling, tense and very modern play and a great show.

THE coming of the first big musical attraction that Toronto has had for a full year, the operetta, "Three Waltzes" to the Royal Alexandra theatre for the week commencing Monday night, May 9, serves to

recall some interesting details concerning this international success that are not generally known to the amusement loving public.

Staged by the Messrs. Shubert as the most ambitious and lavish incursion into the realm of operetta made by that aggressive and progressive firm—responsible for the introduction of "The Student Prince," "Maytime," "Blossom Time" and numerous other successes—"Three Waltzes" is an elaboration of a romantic drama by Paul Knepler and Armin Robinson, first presented in Zurich two years ago, and which immediately swept the continent, and more especially Paris into a wave of enthusiasm. Clare Kummer and Rowland Leigh adapted the play in English, and Oscar Straus elaborated the score by drawing upon the most representative compositions of Johann Strauss I for the first part, centering about 1865, and his more famous son, Johann Strauss II for the second part, timed as of the turn of the century. Strauss contributed the third section, in London of today, making the score an exposition of the most tuneful compositions of Vienna's three Waltz Kings.

Kitty Carlisle and Everett Marshall are heading the cast of more than a hundred on the brief tour that carries the organization to Chicago for a Spring and Summer run. Toronto is the fourth city visited en route to that destination.

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PLAIN END OR WITH THE NEWLY PERFECTED CORK TIP

—History of Canada, April 18-25

AMERICAN ANSCHLUSS?

CANADA'S relations with the United States were very much to the forefront during the week, both in discussion and in events. In the United States there was considerable newspaper support for a proposal that the two countries should place their mutual friendliness upon a formal basis for the sake of the impressive effect it might have on countries with designs for expansion. A mutual defence treaty could be signed to the accompaniment of considerable publicity. In the realm of actual events the special tribunal, set up by the two Governments to adjust claims arising out of fumes from the Trail Smelter blowing across the boundary, awarded \$75,000 damages to various United States property owners who had claimed several millions. Meanwhile Premier Pattullo went to Washington for a conference with Secretary Ickes regarding the possibility of building British Columbia's share of the proposed Alaska Highway through a loan to British Columbia from the United States Government; and almost simultaneously the American House of Representatives Foreign Affairs Committee approved a bill to create an Alaskan International Highway Commission.

DOMINION

By-Election: Lester Douglas, Liberal, was elected by acclamation to House of Commons in Queen's (P.E.I.) by-election.

Historic Sites: The Government instructed the Historic Sites and Monuments Commission to assume perpetual care of the grave of Sir John A. Macdonald and the birthplace of Sir Wilfrid Laurier.

Indian Census: Report of Department of Mines and Resources placed Indian population of Canada at 114,000 as compared with 104,000 in 1924.

Labor: Hon. Norman, Rogers Minister of Labor, announced the appointment of Mr. Justice A. A. McGillivray of Alberta Appellate Court as Chairman of Conciliation Board to act in dispute between 2,600 coal miners and their employers in Alberta and Southern British Columbia.

Unemployment: Hon. Norman Rogers introduced bill dealing with unemployment and agricultural distress; the bill authorizes the Government to enter into agreements with private industry for the expansion of the latter.

ALBERTA

Government House: Hon. W. A. Fallow, Minister of Public Works, announced that notices of termination of employment have been given to two gardeners and to the Lieutenant-Governor's chauffeur, preparatory to closing Alberta's Government House on May 1.

Relief: Two outbreaks of violence between Calgary relief strikers and parks workers occurred; Calgary city council passed resolutions approving of deportation proceedings against all non-British relief strikers, and of reduction in relief allowances unless strike is settled by June 1.

BRITISH COLUMBIA

Doukhobors: Various British Columbia organizations passed resolutions protesting against proposal to re-enfranchise the Doukhobors; the Named Doukhobors issued a statement that they are grateful for having been disfranchised in 1934 and do not desire to regain the franchise.

Marriage: Hon. George M. Weir, Provincial Secretary, announced the appointment of a special committee to consider revision of British Columbia's marriage laws; special attention is to be given to proposals to require physical examinations, in-



THE LARGEST TYMPANI SECTION ever assembled for any orchestral performance in Canada. It was heard in the Berlioz "Great Requiem" given in Toronto recently by the Mendelssohn Choir.

cluding blood tests, of all couples intending to marry.

MANITOBA

Jail: Hon. W. J. Major, Attorney-General, announced the appointment of Col. Royal Burritt as governor of the provincial jail at Headingly and the superannuation of Governor John C. Downie.

Marketing: Hon. H. H. Stevens gave evidence before the special select committee of the Manitoba Legislature investigating livestock marketing problems.

NEW BRUNSWICK

Rowell Commission: W. P. Jones, K.C., who prepared New Brunswick's brief, announced he is attending the Ontario sittings of the Rowell Commission as an observer.

ONTARIO

Child Welfare: Hon. Eric Cross, Minister of Welfare, announced new allocation of responsibility for better supervision by Children's Aid Societies of children placed in foster homes.

Education: Hon. L. J. Simpson, Minister of Education, told Ontario Educational Association that provincial educational grants are likely to be approximately \$1,200,000 greater in 1938 than in 1937.

Rowell Commission: The Royal Commission on federal-provincial financial relations opened its Ontario sittings in Toronto.

P.E.I.

Legislature: Lieutenant-Governor DeLois prorogued the Prince Edward Island Legislature.

QUEBEC

Taxation: The Provincial Commission on Taxation Revision held its first sittings in Montreal; briefs were received from the Canadian Manufacturers' Association, the Montreal Board of Trade, the Quebec Chartered Accountants' Association and the Quebec Provincial Restaurant Association.

SASKATCHEWAN

Rowell Commission: Dean F. C. Cronkite, K.C., who prepared Saskatchewan's brief to the Rowell Commission attended the Ontario sittings of the Commission as an observer.

OBITUARY

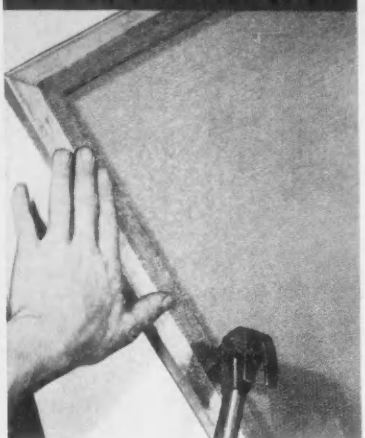
Armstrong, George P., Ottawa, former railway construction contractor who built Toronto to Sudbury section of the main line of C.P.R. (69). **Bediveau, Hormidas,** Winnipeg, former mayor of St. Boniface, Man. (77). **Bilkey, Rev. Charles Llewellyn,** Cleveland, Ohio, rector of St. Mark's Church, Cleveland, former rector of Anglican churches in Lindsay and Brantford, writer of weekly religious editorial in Montreal "Gazette" (61). **Breeze, Miss Elizabeth G.,** Vancouver, supervisor of public health nursing services for Greater Vancouver, was first public school nurse in Canada. **Brown, Thomas R.,** Regina, noted stock breeder, brother of former Lieutenant-Governor of Saskatchewan (72).

Copeland, James, Grand Forks, B.C., longest continuous resident of British Columbia, last survivor of gold rush of "Fifty-Eight" (99). **Dugan, Mrs. Bessie Evans,** Edmonton, musician, winner of contralto solo award at Chicago World's Fair in 1893, conductor of Edmonton Women's Musical Club Chorus (63). **Forster, John Wyliffe Lowes,** Toronto, dean of Canadian portrait painters, writer on art subjects (87).

Gauthier, L. J., (K.C.), Montreal, former member of Quebec Legislative Assembly for St. Hyacinthe-Rouville, past president La Société des Artisans Canadien-Français. **Henry, Rev. Edwin Arthur,** (D.D.), Vancouver, former minister of Chalmers Church, Vancouver, and Deer Park United Church, Toronto (71). **Mailhot, Adhemar,** (D.Sc.), Montreal, dean of Ecole Polytechnique of Montreal, professor of mineralogy and geology in University of Montreal, consulting mining engineer, author of numerous scientific papers (54). **Moir, Alexander,** Windsor, Ont., former alderman of Windsor, president Moir Cartage Co. (77).

Morice, Rev. Adrien Gabriel, St. Boniface, Man., Oblate missionary, anthropologist, historian, explorer, author of thirty books on history of Western Canada (79). **O'Regan, James,** Ottawa, former assistant librarian of Supreme Court of Canada. **Wells, Rev. Charles Luke,** Sewanee, Tenn., dean of the Theological School of University of the South, former professor of history in McGill University (79). **Wright, Alfred,** Toronto, retired general manager for Canada of London and Lancashire Insurance Co. (82).

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MUSICAL EVENTS

BY HECTOR CHARLESWORTH

DR. H. A. FRICKER and the Mendelssohn Choir have assuredly covered themselves with glory this season. The culminating incident was the 181st concert of the organization, held in Varsity Arena, when Hector Berlioz' Requiem or "Grand Mass for the Dead" was presented for the first time in Canada. It was masterly in every sense.

The great French innovator was born in 1803 and died in 1869; and it is recorded that his last years were filled with bitterness, as indeed most of his life had been, due in part to a temperament constantly exacerbated by the trials that invariably beset any man of unique genius who seeks to follow original lines. Looking at his lean, handsome, melancholy countenance, one wonders whether he ever dreamed that a century after its creation, thousands of listeners in a far-off land would be indescribably exalted by his Requiem.

When it was composed in 1837 his fortunes were at a very low ebb, and he was compelled to earn his living by writing caustic music criticism for which he was poorly paid. Yet he did not hesitate to create a work that makes very large demands in the matter of production. It calls not merely for large chorus and orchestra, but for four small bands of trumpets, trombones and tubas. The following year he followed an almost similar plan in his "Symphonie Funèbre et Triomphale" which I hope to hear some day.

Listening to the "Grande Messe des Morts" as he called it, one is struck by the majestic simplicity and serenity of the music in contrast with what must have been the tempests of his troubled spirit at the time it was composed. It is clear that his real life was in his music.

The large body of additional brass is especially potent in the "Tuba Mirum" in which Berlioz sought to typify the Angelic Messengers of the Last Judgment, calling the dead from the tomb. His mastery of instrumen-

tal scoring was never more gloriously demonstrated than in the pure, mystic grandeur of this episode. Almost equally noble is the use of brass in the "Rex Tremendae." Not less magnificent in lucidity and power, than his handling of all orchestral details, is his scoring for voices, a field in which many great composers have been defective. His handling of tonal masses aims not merely at grandeur, but at exquisite, limpid, balanced expression. His sustained melodic inspiration is entrancing, and each of the ten sections emphasizes the essentially prayerful atmosphere of the whole work. Berlioz' originality is shown in his device of giving the greater part of the climactic "Sanctus," not to massed voices, but to a tenor soloist who sings a melody of angelic beauty.

Two or three times this season, one has spoken of the superb balance of the Mendelssohn Choir, the splendor of its tonal quality in all sections, its inspiring spontaneity in lyric utterance and attack, and its fine diction. So good was it in the latter respect that it was not difficult to hear the Latin phrases in detail. With a sounding-board at its back the quality of all sections of the Choir was more apparent than ever. In his handling of all the forces, Dr. Fricker obtained an even finer and more intense edge of expression than in the past, and that is saying much. The flawless purity of the brass (the danger point in such a work) was especially gratifying. The tenor soloist who sang the "Sanctus" was Joseph Victor Laderoute, a young French-Canadian from Sault Ste. Marie, formerly a soprano soloist in the Paulist Choir directed by the renowned Father Finn. Mr. Laderoute's voice has developed into a pure lyric tenor of rare beauty. He demonstrated his gifts in the presentation of Bach's B minor Mass some months ago, but the Berlioz "Sanctus" gave him the finest opportunity he has yet enjoyed to show the beautiful finish and sincerity of his vocal art.

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Modern JULIUS CAESAR 1938

ON THE last occasion when the beautiful Helen Gahagan appeared in Toronto, she was playing Countess Zicka in an all-star revival of Sardou's "Diplomacy." Later she figured in New York amid another galaxy as Rose in a revival of Pinero's "Trelawney of the Wells." Then she decided to become a singer. She is still a woman of radiant beauty, and the gown she wore at her recent song-recital in Eaton Auditorium was alone sufficient to win attention for any prima donna. She is the possessor of a clear, fresh, soprano voice; vital and warm, with nothing metallic about it. Her high notes are brilliant and easy; but her lower tones lack substance and are rather toneless. She has obviously been well trained for her enunciation and phrasing are admirable.

She began with the familiar "Ritorno Vincitor" from Verdi's "Aida" sung with confident dramatic expression, and then passed on to the first complete song-cycle heard on a local concert platform this season,—and one of the most famous. It was Schumann's "Dichterliebe" (A Poet's Love), embracing in all sixteen lyrics by Heine. The work is but one group of a multitude of beautiful songs composed immediately after his marriage to Clara Weick in 1840. In this cycle the emotional range is wide and the music pervaded throughout with romantic feeling. Miss Gahagan seemed somewhat deficient in temperament; that is to say, a little more abandon and a little less restraint would have been desirable; but she had a fine command of the movement of rhythms and the melodic line. "Ich Grolle Nicht," the most famous of the series, would have been better with more fervent romantic feeling. Taking her interpretation of the cycle as a whole, it was a sensitive and well-balanced performance; more satisfactory in lyrics which gave a chance to the ringing quality of her upper tones, than in those in which reliance is placed on the lower register. In her final group, a setting of a Sonnet by Edna Millay by the young composer, Elinor Remick Warren, was unusually appealing and she gave an especially fine interpretation of "Selige Nacht" by Marx.

A VERY distinguished audience was present in the Eaton Auditorium at a concert organized by the Girls Friendly Society in aid of Chinese refugees. In view of the occasion four Chinese maidens in occidental garb acted as ushers. For many of the audience the interest of the occasion lay in the first professional appearance here of a charming Toronto girl, Barbara Beck, who, under the stage name of Conchita Trina has adopted the vocation of a Spanish dancer. There is nothing amateurish about Miss Beck. She is of the Spanish type of beauty and deliciously chic. She has mastered the technique of her art and is amazingly virtuosic with the castanets. She is very buoyant, easy and graceful. In one number in which castanets are not used but fluttering fingers are the basis of appeal, her grace was dazzling. She is also very adept in heel-dancing a phase peculiar to certain Spanish folk dances.

The balance of the program was contributed by Anders Timberg, a Swedish tenor and Mary Ramsay, a Scottish pianist who have been touring the United States in recitals of Scandinavian music. Mr. Timberg's voice is light in timbre; its lower notes are most agreeable but his upper tones thin and tenuous. With his copious gestures he rather overdoes the element of "charm." When he attempted such a bravura aria as Puccini's "E Lucevan le Stelle" he was obviously overweighted, but in Swedish and Norwegian songs his phrasing and interpretation were admirable, and his preliminary recitation of English translations was most refined and expressive. Miss Ramsay is a very accomplished pianist. Her tone is appealing and her execution neat and expressive. Her phrasing in numbers by Palmgren (a Finn) and Rangstrom (a Swede) left nothing to be desired.

KODAK SHOW

OF THE world's leading salons of pictorial photography few are more interesting than the four or five great annual exhibitions sponsored by the leading makers of cameras and photographic supplies. Ontario residents will have the opportunity to see one of these when the two hundred prints of the Kodak International Exhibit for 1938 are brought to the Colonial Room of the Royal York Hotel, May 12-14. The photographs which will be shown were selected from over a thousand submitted by picture-takers from nineteen countries. Many of them are color photographs printed by the Wash-Off Relief process. There will be a special section devoted to infrared photography, and amateur motion pictures in full color will also be shown. A feature of the show will be an illustrated lecture on amateur photography by Herbert Johnson on May 13 at 8.30 p.m.

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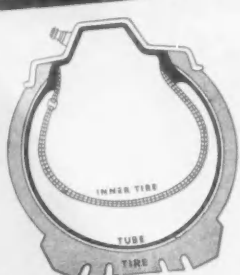
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THE FILM PARADE

BY MARY LOWREY ROSS

IT WASN'T much like Mary Pickford in "Rebecca of Sunnybrook Farm," the movie-goer behind me complained, coming away from Shirley's latest picture. I don't remember Mary Pickford's Rebecca; but it's safe to assume that Miss Pickford, who must have been a pretty self-expressive child even at the Rebecca age, managed to work one of her own ideas into the script. Whereas Shirley, poor will-less mite, now goes through the motions of her part as though she had an animator instead of a director.

A great many people, especially English reviewers, like to point to Shirley as the horrid example of modern, or spoiled, American childhood. Actually she's as old-fashioned product as Elsie Dinsmore or Snow White. Like Snow White she is always the victim of furiously ambitious adults. Like Elsie she must submit to every rigor of discipline and self-improvement. Compared to Shirley indeed Elsie Dinsmore led a comparatively carefree and untrammelled childhood. She had to spend a great deal of time studying French, piano and deportment and sitting little silk purses for her relatives. But she didn't have to fill the little purses over and over with her own earnings. She didn't, in her spare moments from the schoolroom, have to learn microphone deportment, fan-correspondence, press interviewing and a smattering of Chinese. She wasn't compelled to sit under a dryer for hours, having her permanent relentlessly set into a mass of wild ringlets. Above all she wasn't burdened with the grown-up problem of bringing estranged and petful couples together and making them love each other. It is true that Elsie's Papa, a cold atheist, had to be reconciled to his Maker. But once Elsie had attended to that it was all clear sailing. Papa Dinsmore's conversation was sound, and not something that had to be wearily undertaken all over again, with each succeeding chapter. In fact if I were a little girl and confronted with the awful problem of choosing between Elsie's Papa and Shirley's Hollywood as a permanent guardian I'd choose Elsie's papa every time.

THE actual plights of Elsie and Shirley, their difficulties at the hands of unscrupulous adults are often astonishingly similar. So are their ways of getting round them. Once if you remember, Elsie's Papa commanded her to sing to him on the Sabbath. And when Elsie refused, on religious grounds, her Papa planted her on the piano stool crying furiously that a bird that can sing and won't sing must be made to sing. So there she sat until she fainted off the stool, cutting a gash in her white forehead; and Papa, stricken, rushed for the doctor. And now in "Rebecca" we have Shirley being dragged to the microphone by her cruel stepfather and stepmother, and threatened with every brutality if she doesn't sing. But Shirley, loyal to her real pals and her larger contract, refuses to sing, holding up only a small agonized sheet into the microphone, while her dismayed promoters rush off for the throat specialist. Shirley, of course, was only putting on an act. But so was Elsie. A voluntary dramatist was about the only weapon an old-fashioned child had against the rigors of parental discipline.

Not having read Mrs. Temple's treatise, "How I Brought Up Shirley," I can't speak from the text. But it's a fairly safe conjecture that Mother Temple didn't hold with the wild nursery-school theories of today, especially with the bewitched notion that children should be taught to express themselves. Obviously Shirley learned early to express Mrs. Temple, and her powerful ambition to make Shirley the top-ranking star of America.

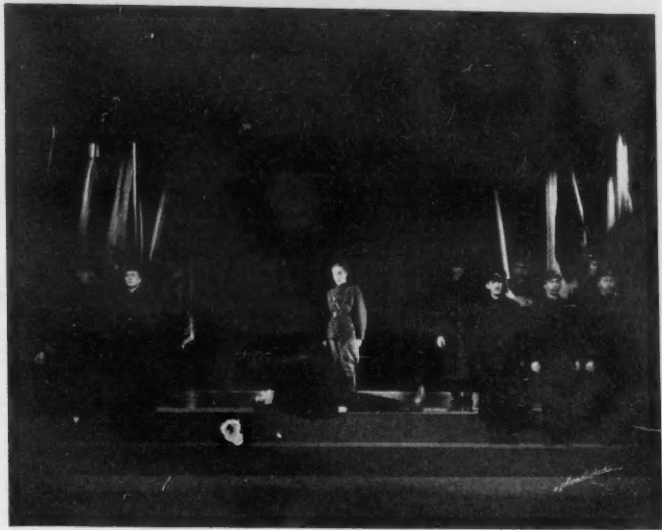
THIS may help to explain why Shirley is so popular with grown-up audiences. Modern parents have been trained to a respect for childhood that verges on sheer fright. So it's a wonderful change for them to go to the movies and see an old-fashioned child who does exactly as she is told and would be utterly mortified if she failed to please the grown-ups. It goes without saying that in "Rebecca" Shirley doesn't miss a trick or skip a beat. She dances, performs and sings with the trained promptitude and docility of a child reared from babyhood to oblige her elders. It's a triumphant demonstration of what old-fashioned training, relentlessly applied, can do to a plastic little girl.

It's triumphant, and it is also rather heartbreaking at points. There's a song Shirley sings toward the end of the picture, with a comedy line in the chorus, something about paying one's income tax. She sings it several times, each time breaking into a mirthful little giggle at the same point in the chorus. Always exactly the same little giggle at exactly the same point, the upbeat of the third bar. It might have been the same phonograph record, played over and over. There's something deeply disturbing in the thought of an eight-year-old so sedulously tutored that even her giggles come off precisely on time.

It's a little hard to imagine what Shirley will be like when she actually reaches maturity. But if, twenty years from now she appears in the headlines as a superannuated and embittered adult, suing her loved ones for back pay, we will probably be very sympathetic with her. And never pause to consider that we too had a hand in making her career.

RUMPELSTILTSKIN

"RUMPELSTILTSKIN", an operetta adapted from the popular Grimm fairy tale, concluded the year's program of the Downtown Children's Theatre. Though charmingly produced, like all the children's plays presented by this competent



"THIS WAS THE NOBLEST ROMAN . . ." Edmond O'Brien and Tom Powers in Orson Welles' presentation of "Julius Caesar", Broadway sensation which comes to the Royal Alexandra Theatre for the week beginning May 2.

group it wasn't quite as successful as some of the earlier productions. For one thing, the acoustics of Margaret Eaton Hall make it difficult to follow the words or even the action of an operetta unless you happen to know it by heart, or to be seated within half a dozen rows of the stage. Fortunately a children's audience isn't very exacting in this respect; and given lively movement, the setting of fantasy, and the brightly effective costumes devised by Miss

Eugenie Berlin, it demands very little by way of actual text.

Like the earlier Pinocchio productions "Rumpelstiltskin" achieves a pictorial vividness and charm, with a minimum of props and staging. It is necessarily simplified, both in production and in direction, but thanks to the talent and ingenuity of the volunteer group responsible for it, it has a sprightliness and distinction that more elaborate productions rarely achieve.



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BY GEORGE McCracken

IN A YEAR when scarcely a week passes without news of another test flight for Trans-Canada Airways or a further protest to Mr. Howe from the Government of New Brunswick about making Montreal the Canadian terminus of the forthcoming trans-Atlantic air service it behooves a citizen of this Dominion to have a fairly extensive knowledge of the early history, the development and the present state of aviation in Canada. There is probably no more authoritative presentation of such knowledge, and certainly no other presentation that is more interesting for the general reader, than Captain Sandwell's book.

The author is the widely known aviation columnist of the Montreal Star; he is moreover a regular contributor to Canadian Aviation and he has contributed occasional articles on aviation subjects to SATURDAY NIGHT. The book has wisely been published in Messrs. Nelson's "Discovery Books" series, a series already well known in Great Britain and now likely to become familiar in Canada as the result of the publication of "Planes Over Canada." The series consists of "entirely new books which discover the world to their readers," and it is almost incredible, comparing their price with the prices of most "new" books, that they are sold for such a reasonable sum, for their press work is good, their illustrations excellent and their binding as attractive and substantial as most books selling for two or three times their price.

MOST Canadians know that Canadian aviators have outstripped the aviators of other countries in the transportation of heavy freight; that they have been equalled only by the Russians in pioneering Arctic flying; and that they established a war time record that was astounding for the relatively small population of their country. But they are not likely to be so well informed about the extent of the mapping activity, the forestry patrolling, the economic insect control, and the police work that has been done by airplane in Canada. Neither are they likely to be well acquainted with all important details of the administration of civil aviation and the co-operation which exists between the Royal Canadian Air Force and various civil branches. Captain Sandwell describes all these things concisely but adequately—so concisely indeed that the reader is astonished that so much can be said in so few pages. The preparations for Trans-Canada Airways and for the trans-Atlantic service are outlined. The work of the airplane in prospecting and trapping is told. There is a discussion of the companies building airplanes in Canada and their facilities for greater production. Conservationists will rejoice that even the planting of fish fry by airplane has not been omitted, although they have grounds for grief because the author has failed to add that the scattering of fry out of an airplane into a lake is about as useful as the careful planting of similar fry into the local politician's backyard cat-fish pond.

Much of the fascination of the book lies in the author's recognition of the fact that the reader is usually more interested in how a thing is done than he is in why it is done. In this connection the chapter on mapping by photography from planes is particularly fine. There is also a strange fascination in the style that has been used in preparing the book mainly for readers in the British Isles. It is a good recommendation for Captain Sandwell's versatility as a journalist that he has achieved a style entirely different from his newspaper column, and apparently admirably suited to a public abroad, without having sacrificed any element of interest for the Canadian reader.

THE GERMAN DRIVE

"Germany Pushes South-East," by Dr. Gerhard Schacher. London, Hurst & Blackett. \$2.00.

BY WILLSON WOODSIDE

AT A TIME when it looks as if Hitler's "Push South-East" has in reality begun, Dr. Schacher's little book comes most usefully to hand. The author, who is correspondent in Prague for the London Economist and Financial News and the Manchester Guardian Commercial, and has to his credit a larger work, "Central Europe and the Western World," is well qualified to write about German penetration down the Danube.

First laying a basis in the pan-German ideology of pre-war days, he demonstrates that what we are witnessing today are merely old aims pursued by new methods, that before Hitler had come to power he had taken over the whole pan-German doctrine, the only difference being the smoke-screen of racialism which he throws up. One of the most interesting parts of the book is where the author shows how Wilhelm's Germany, and now Hitler's, while realizing that the estab-

lishment of a strong position in Central Europe is a necessary pre-condition to any bid for world-power, have been drawn almost in spite of themselves into engaging in the larger world scramble before their Continental aims had been attained.

Interesting in consideration of Hitler's latest attempt on Austria is Dr. Schacher's unshakeable conviction that Italy cannot and will not tolerate Anschluss, that a Nazi coup in Austria must be the end of the Rome-Berlin Axis. Germany's methods of economic and political penetration of the Central and South-Eastern European countries are covered in detail, as is her support, financial and otherwise, of local Nationalist-Fascist organizations, in the interest of breaking up existing political systems and alliances and creating a general confusion, out of which she hopes to achieve her ambitions. An excellent and up-to-date bibliography on Central European affairs completes the book.

AMONG THE NEW BOOKS

"THE CHAMBERLAIN TRADITION," by Sir Charles Petrie, Bart. (Macmillan, \$1.25). A joint biography of Joseph, Austen and Neville Chamberlain, which aims to show what Great Britain and the Empire owe to this family. Wherever possible, the three personalities who make up the book have been allowed to speak for themselves, the author painting in the political background which is the essential part of their lives. The Chamberlain tradition, we learn, is "courage and optimism, foresight and vigor."

"THE SELF YOU HAVE TO LIVE WITH," by Winifred Rhodes (Lippincott, \$2). The problems of daily life viewed by the psychologist who recognizes religion as a powerful aid to courageous and successful living.

"VIENNA, THE IMAGE OF A CULTURE IN DECLINE," by Edward Crankshaw (Macmillan, \$2.75). Neither a guide-book, nor a history, this book evokes the mood of a culture that is dying, perhaps dead. There is some history, some argumentation, some moralizing; perhaps some food for thought.

"THE MORAL BASIS OF POLITICS," by Naomi Mitchison (Macmillan, \$2.75). A survey of the modern political and economic scene from the point of view of the ordinary man or woman who will in the course of events have to make a decision about certain lines of action.



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SATURDAY NIGHT

PEOPLE

» TRAVEL

» FASHION

» HOMES

» LETTERS

TORONTO, CANADA, APRIL 30, 1938

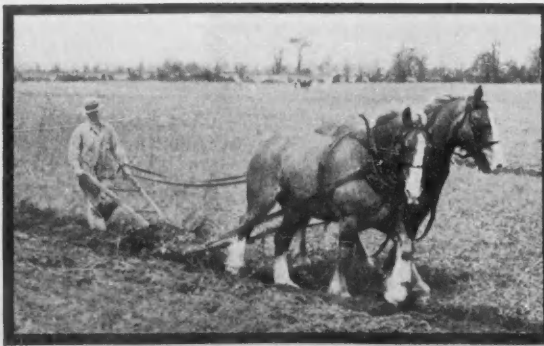
SPRING COMES TO THE ONTARIO COUNTRYSIDE



"When Scudding Clouds Diffuse the Light
Spring is the Cameraman's Delight."

—Old Manuscript.

IN these photographs "Jay" has obviously proved the camera's ability to record the difficult to describe but very characteristic mood of the Ontario countryside between the time of the departure of the last snows and the bursting forth of the first leaves. *Upper left*, the spring plowing completed near Galt. *Upper right*, the Dundas Golf Club. *Middle left*, the town of Dundas, with the Niagara Escarpment in the extreme distance. *Middle right*, the town of Paris. *Lower left*, a country road near Ayr, Ont. *Lower centre*, plowing near Delhi. *Lower right*, plowed lands at the edge of a brush lot near Sheffield, Ont.





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THE DISTAFF SIDE

BY MARIE CLAIRE



MRS. W. W. G. DARLING, convener of the 48th Highlander's Chapter I.O.D.E. band concert and carnival to be held in the University Avenue Armories on May 7.

—Photograph by Bain Studios.

IT IS very daring of us to attempt matching stories with "Time," but here we go. In that informative magazine lately we read with interest that a citizen of Naples, one Petronio Morandi, while pleasantly combining the eating of grapes with reading a newspaper, picked up a small electric light bulb and swallowed it whole.

"Time" did not report, if indeed it knew, anything of Mr. Morandi's discomfort or subsequent activities. One is left to imagine them all.

On our Easter week-end in the country one of our hostess's daughter's plans for our entertainment included a visit to see the try-out of an electric milker at the nearby farm. The graciousness of the invitation precluded regretting with thanks. We expressed a terror of cows and a hatred of milk, but got nowhere.

The plugs in alternate stalls were not yet set in. The farmer was using an extension with a porcelain socket to reach down the line. As we made our careful way along the alley, the wire was moved and the plug came to rest at the head of Jennifer's stall. Jennifer is a mild white cow. The wonders of science going on beneath her disturbed her not at all. Gradually her soft eye reflected the white plug and the motion of her jaw ceased. "Turnip!" said every line of that placid countenance. Reaching out quietly, Jennifer bit. With a bellow that shook the whole byre and brought sympathetic roars from thirty other cows, Jennifer registered the power of electricity.

For all we know Jennifer may be running yet. But she couldn't catch up with us.

ABOUT the year 1350 B.C. an Egyptian King was buried near Luxor in Upper Egypt with all the trimmings that befitted a Pharaoh.

In 1922 A.D. an Englishman named Carter, assisted by his fellow countryman, Lord Carnarvon, discovered the tomb and opened it. Not without protests from Egypt where the legend throve that it meant very bad luck indeed for the discoverers.

You are quite right. It was Tutankhamen's tomb and both its "desecrators" died within an unreasonable time. You may also remember that the amazing condition

of the mummy, the magnificence of the coffin, ornaments and furniture in the tomb were a nine days' wonder.

Besides the weapons, and the household and agricultural implements presumably stowed away to guard and aid their king in his new sphere, the Egyptians had put some seeds; the germ of his future diet, perhaps.

On Easter Monday, 1938, we saw some of those seeds growing in a private experimental conservatory in Toronto. Six little pots containing six little plants. To an amateur eye the plants looked like very delicate snapdragons—and if you had bought them for such on the market, you might well feel your chances of a wealth of bloom in your annual border weren't any too bright. But these are going to be sweet peas, they are perfectly healthy, and their owner, and the Botanists who watch every leaf if not every breath they draw, hope they will be blue. They are expected to bloom about July,

and no one quite knows what they will look like.

The other seeds beside the king were grains and vegetables—this the only flower. Research has discovered the early Greeks knew a sky blue sweet pea. It may have been a Pharaoh's favorite.

We touched a leaf with a little awe. Life continuing more than 3,000 years, and about to bloom again lent immortality an awful authenticity.

A FRIEND of ours passed this on about a friend of hers. Nice, if you like simple stories.

Friend number three looking through a discarded handbag recently came across half a strip of car tickets she had bought in Ottawa over a year ago. The sort of waste that rankles, as we all agree. In writing a dear old lady in Ottawa whom she knew very well, she enclosed the tickets with a crack about hoping they would be used to help a fellow get even with the big corporations.

Some weeks later she had her answer. The old lady had used the tickets. She and a really old lady had gone together to the movies. Getting her friend aboard was a task safely accomplished with the help of the official of the One-Man Car. The old lady put in the tickets and they both sat down. From her seat halfway down the car the old lady saw the conductor glancing with a worried expression at his fare box. She got to her feet and went back to him. "Those are very old, but they are quite good," she said with decision, tempered by a soft smile. The conductor unknit his brows. "I can see they are, Madam," he said, "I only wondered if you were aware they were children's tickets." The old lady in some embarrassment offered to pay the difference, but the conductor wouldn't hear of it. "Think no more of it, Madam," he said. "This is entirely between ourselves."

APPARENTLY Children's Fashion Shows have been going on for some time and we missing them. Distressing thought.

The second Annual Spring and Summer Fashion Show for Infants and Children played two performances a day for three days in one of our biggest stores this week. Infants did not actually appear, but only because, as the stylist at the microphone explained, no one would lend a baby. The youngest member of the cast was three, wearing two-year-old clothes—and she brought down the house.

Shirley Temple and Deanna Durbin dresses were featured, with the *Spécialités de la Maison* "Patsy" dresses, "Three Trees" and "Graham" coats, as well as smart imports. The clothes were charming, but the mannequins devastating.

O the poise of a young lady of eight in a tan coat with a toast-brown turned-up sailor, from which hung long ribbons even as you and I wore in our unlamented youth! It was only equalled by her companion in a creamy yellow coat with a colored ribbon on her millan sailor, to match the frock beneath.

Then came the Prima Donna. A grave and absorbed toddler all of 18 inches high in a blue Swiss muslin trifle, curly hair parted in the centre and tied with miniature bows of blue ribbon. There was a staggered hush over the enchanted audience as she made the difficult ascent of the three low steps to the runway. One foot meeting another with careful deliberation—all the care of an ascent of Everest. The dearest, sturdiest, most unselfconscious baby it has ever been our good fortune to see, in an adorably simple frock. She wore a white frock under a short sleeved white redingote later, carrying her coat (arranged over her arm by a pal) on her return trip. It broke us all up.

FADED blue denim overalls worn with gayly plaided shirts were as engaging looking as they were practical on a pair of lovely children. We were interested, in a Godmotherly way, in learning they might be had in sizes 4 to 14 (the trows, not the gals).

Pretty peasant prints in modified Dirndl styles were shown delightfully on a future beauty with two blond pigtails. The Rebecca of Sunnybrook Farm clothes of Miss Temple are simple and charming. A party dress of white organdy with piped tiers of pink was the only concession to elaboration, and a white Swiss muslin with a sash of itself, and hand-smocking, amazingly inexpensive, put that in the shade, to our way of thinking.

The Deanna Durbin dresses for the 12-to-14-year-olds seemed to help a good deal to solve that difficult problem. Only the party dresses seemed to baffle the designers, who simply proved all over again that adult grace is needed to manage a floor length organdy skirt. The deep blue bicycle dress, however, was a winner for this age. The dotted back section tying in front in a bow can be worn equally handsomely as a front bib tied behind, altering the whole affair.

But frankly, we're a prejudiced witness. The Titian-haired Siren of Six with the dimples, and that toddler in her "Parpy" dress, reduced our style sense to pulp. We only registered that their clothes didn't subtract from their charm. And one can't say much more than that for any dear child's clothes.

Memo: Watch for the 3rd Annual C.F.S.

TRAVELERS

Sir Montagu and Lady Allan, who spent the winter in Pasadena, California, have returned to Montreal. Major W. H. Petry has left Quebec for New York where he will spend some time. Mrs. Petry, who accompanied her husband, is the guest of Mrs. R. McKelvy while in New York.



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Announcement

MARRIAGES

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Libby's New Way of cooking Beans is the reason these beans are making shopping history. For Libby has invented and patented a new process for cooking beans. Every bean is browned through to the very centre—not "done" too much or too little—but just right. This new method assures you of deeper, richer, more appetizing colour. Firmer, more tender texture—similar to the perfect mealiness of a well-baked potato. Finer flavour—the kind that causes you to ask for a second helping.

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Japanese Barberry	12-18 in.	\$17.50	
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THIS TALL LAUREL HEDGE in the garden of Mrs. G. H. Barnard, Victoria, British Columbia, is trimmed to provide a lovers' walk with seats beneath the shade.

—Photo: Courtesy Lavina McLeod.

EFFICIENT PLANNING

BY KENT EDWARDS

LOOKING forward, it is almost a foregone conclusion that the fast-approaching summer of 1938 will witness more building, modernizing and beautifying of homes than in any similar period since the depression put a virtual stop for several years to housing activities of all sorts.

As for the impetus to the building and the remodeling which are occurring, the Dominion Government deserves—and will continue to deserve!—a vast amount of credit because of all the interest it has created through the Dominion Housing Act and the Home Improvement Plan; both operative now, and each specially attractive by reason of the advantageous loan facilities which it offers.

As a very concrete evidence of its interest in a nation-wide renewal of home-building—and, incidentally, of its willingness to co-operate to the nth degree!—the Dominion Government, through the Department of Finance, recently conducted an architectural competition for house designs suited to the needs of home-builders in the lower-bracket income class. So excellent were the floor-plans, so good the exterior designs, the houses submitted and awarded the prizes in this competition immediately appealed not only to those for whom they were especially intended, but to many owners of vacant property which hitherto had been entirely non-productive. All other property-holders nursing along the unused lands which dot both town and city, therefore, should take note: study the Government-sponsored plans, and take the initiative in coping with Canada's present shortage of new housing accurately in step with the exacting economical and esthetic demands of today.

Whether for speculative or personal purposes today, however,

property-owners would be well advised to pay far more attention than ever before to quality: for, if it contributed nothing else to our well-being, the depression at least taught us the value of economy—which most of us now realize is not at all a matter of price, but of quality! So, all in all, it would seem that we are likely to be in for not only more, but infinitely better, housing this year, 1938.

As a matter of fact, most people either building or modernizing a house today are not only keen on quality, but interested in the various new types of equipment which have become more or less essential to the successful consummation of any home-building project. There's air-conditioning as one example; for, certainly, nowadays, even the builder of a very small house studies his financial ability to install equipment that will guarantee winter-long, if not year-around, conditioned-air in his new home. And insulation—that's another pertinent concern of all home-builders today. Insulation, it so happens, has a decided bearing on comfort within the home at all seasons of the year, and on the owner's pocket-book during the fuel-consuming months of the year. So, obviously, insulation is a demand—essentially contemporary, but pre-emptory—which nobody can afford to disregard.

STILL another urgent concern of today's discerning home-builders is good lighting: which is entirely logical in view of the incalculable effect well-planned lighting has on the eye-comfort (and thus really on the health) of a household. Apart from that, however, efficient modern lighting adds immeasurably to the beauty of a house, and also very definitely promotes efficiency.

Actually, a desire for efficiency in



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LADY KEMP, President of the Board of the Women's Auxiliary for the Canadian National Institute for the Blind, who was one of the patronesses of the concert given by students of The Ontario School for the Blind in Toronto on April 22. —A Study by Violet Keene.

THE ORIENTAL PLANE

BY PAUL DAVEY

WHAT we call the Oriental plane tree is much more likely to be a London plane than an Oriental, because the London plane is a much more common variety and is so similar to the Oriental that it is frequently sold under that name. Both are European and Asiatic forms of the sycamore. The plane is an attractive tree throughout the year; because one of its most interesting characteristics is the variegated color of its trunk, which becomes even more dominating when summer and fall colors of foliage, flowers and fruit are gone.

No tree is more closely woven into ancient history than the plane. The Greeks were accustomed to plant groves of planes, that furnished the shade under which the Greek philosophers gathered to meditate and give voice to their wisdom. Xerxes is said to have admired these trees so much and to have lingered so long beneath their grateful shade that he ruined his hope of success in his invasion of Greece. Pliny thought much of the plane and extolled its virtues in eloquent language. The Egyptians are said to have held it in such veneration that they placed offerings of fruit and water beneath its boughs for the hungry and thirsty traveler. The Romans, according to tradition, irrigated its roots with wine instead of water and exacted tribute from slaves or strangers daring to rest within its shade. Ancient Turks, according to folklore, planted a plane tree on the birth of a son, as they planted a cypress when one died.

WHATEVER may have been the real or fancied virtues of the plane tree in ancient times, however, they have been lost to sight with much of the other tradition and superstition of those days. The modern plane tree is held in high regard, but only for what it has to offer in beautifying the landscape. It is one of the most widely used street trees, although it is not always correctly used. For broad thoroughfares, parkways or the embankments on river or lake fronts it is a splendid tree, its great somewhat heart-shaped leaves furnishing a shade so dense that little will grow beneath it. It attains a height of perhaps 100 feet and has a broad, spreading top.

One mistake sometimes made is the use of this tree for planting on narrow streets. In such a location, unless it is constantly trimmed to keep it in bounds, its spreading top will become altogether too large to be suitable. There is some objection

to the plane tree, too, because the bark peels and will crack off in large pieces, making considerable litter. On a private property which is reasonably well cared for this objectionable litter may be more than balanced by the interesting coloring of the trunk and even by the shaggy appearance of the bole when large sections of the bark curl up and dry out preparatory to dropping off. One good feature of the plane tree is that it is very tolerant of soil conditions and does well in the smoke and city dust which sometimes affect other trees adversely.

WORLD OF ART

BY GRAHAM McINNES

THE National Gallery of Canada has chosen a most opportune time for launching its exhibition of Theatre Art, Contemporary Stage and Costume Designs. Such a showing could hardly have been held, or have aroused any interest, five years ago; but since the inauguration of the Dominion Drama Festival by the Earl of Bessborough, we have all become far more conscious of the place of the theatre in our national life. The exhibition consists of nearly 300 original designs, plans and drawings for sets, décor and costumes, and is drawn from Great Britain, France, Russia, Hungary, Austria, Poland and Latvia. It gives a comprehensive view of the major developments, throughout Europe, in an art which has undergone radical changes within the last twenty years, and should be an inspiration to some of our stage designers and producers.

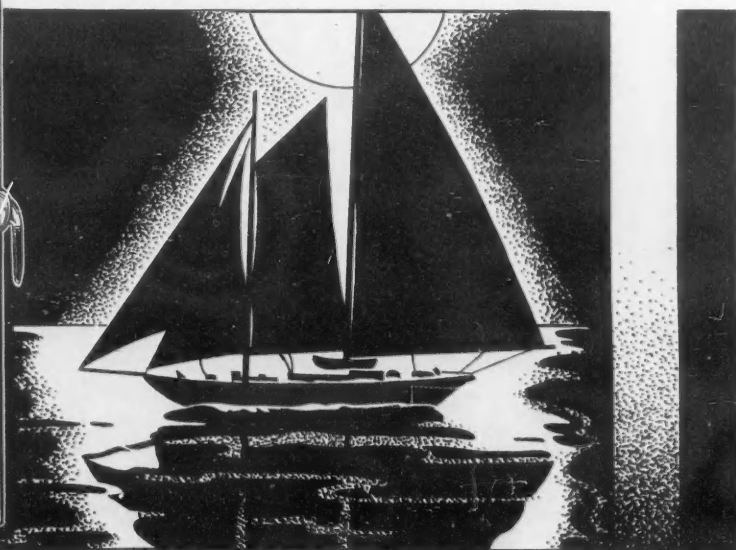
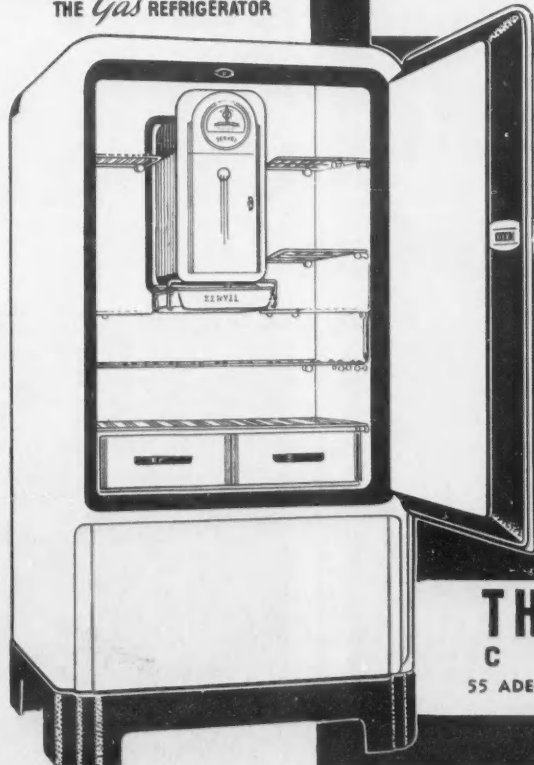
The exhibition opened in Ottawa last week. Its next showing will very fitly be at Winnipeg, concurrently with the finals of the Dominion Drama Festival in May. Afterwards, following the set policy governing the National Gallery's travelling exhibitions, it is to be seen in various centres throughout the Dominion, particularly those which contributed to the Festival and where there is a strong movement towards the continued vitality of the drama.

AT THE Malloney Galleries on Grenville Street, Manly MacDonald is holding a one man show of landscapes. Mr. MacDonald's work is marked by bright color and a skilful handling of light. His smaller canvases appear to be more satisfying than his larger works, some of which do not hold together very well. But at his best he can be both charming and spontaneous—witness "The Harbor" and "Winter Afternoon, Belleville."

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CONCERNING FOOD

BY CYNTHIA BROWN

HOW do you feel about that flour-ish—that 'How's this for Art?' with which a good waiter in a smart restaurant whips off the cover of the special dish you've ordered and presents it for inspection? It fascinates me. He shows it to your escort with such delightfully restrained enthusiasm. "Now this," he seems to suggest, "is the way you and I know that food should look, sir. Such color! Such gratifying arrangement of light and dark meat! Such fragrance! This, sir, was doubtless exactly what was in your mind when you made your extraordinarily astute choice from among the lesser delicacies on our menu."

I have often wondered how, or if, he would survive the shattering of the whole effect should the gentleman say, "That looks quite horrible, the mushrooms are over-cooked, the gravy seems thin and watery, the chicken dry, and they forgot to peel the tomatoes!" Which, of course, your escort never does.

And the chief reason he never does, apart from having been nicely brought up and taught to be human to waiters, is because hotels do present food looking very attractive. It may indeed be that the chicken will turn out dry and the mushrooms over-cooked, but you won't know that till you've eaten them, by which time everybody realizes it's too late to do anything constructive about it.

There is nothing so helpful in creating at home that finished effect so hard to dispute, as serving food in the dish it was cooked in. The world's great potters have of late, (and can it be unwittingly?) backed me up in this platitudinous statement by producing quantities of attractive ovenware. The heat resisting glass people have new shapes and sizes, and now those tricky glass "bells" under which a mushroom or two on a piece of toast covered with sauce



"BE AS DEMURE AS YOU PLEASE," says Paris, and as proof that you can be smart too, sends this charming little bonnet of black grosgrain with a wide band of white pique that ties in wide loops under the chin. An original model by Violette Marsan. —Photograph by Studio Doreyne.

used to cost untold gold in a hotel dining room. None of these costs much, yet they help enormously in smartening up service.

Could I interest you in a few casserole and bell recipes? Granted you are still with me, here we go.

SHRIMP PIE

- 1 pound boiled shelled shrimps
- 1 tablespoonful olive oil
- 1 tablespoonful butter
- 1/4 cup chili sauce
- 1/4 cup cream
- 1/2 cup coarse breadcrumbs
- 1 teaspoon Worcestershire Sauce
- a little tabasco or red pepper.

Melt the butter over a mild heat, add the oil and the shrimps then the other ingredients, mix well, put into a casserole of glass or earthenware and bake in the oven about 20 minutes.

People who loathe frankfurters, and I think myself with good reason, have been known to take this and like it very much:

CASSEROLE OF FRANKFURTERS

Chop one onion and half a green pepper and cook them in butter till clear but not browned. Add 2 cups of tomato paste, or one of tomato soup as it comes from the tin, and 2 tins of consommé. With salt and pepper to please yourself and a 1/2-teaspoon of paprika, let this simmer until slightly thick. Now skin about a dozen frankfurters, cut them into inch lengths, add to the tomato mixture, put all in a casserole, cover the top with crumbs mixed with a few chopped mushrooms fried in butter, and bake about twenty minutes.

LAMBS' KIDNEYS AND BACON

- 1 chopped onion
- 6 lambs' kidneys
- 1 tin condensed cream of mushroom soup
- 6 slices breakfast bacon chopped in pieces
- 1 tablespoon butter.

Sauté the onion in the butter, remove onion and put the kidneys, each cut in four, into the same pan, fry them quickly, add to the onion in a casserole. Put the undiluted mushroom soup over them, top with the bits of bacon and cook in the oven for 20 minutes more to crisp the bacon. A little sherry or red wine on the kidneys is an improvement.

VEGETABLE CASSEROLE

Butter an ovenware casserole. Pyrex looks well. Fill it with alternate slices of finely julienned-cut vegetables in layers, with salt, pepper and butter on top each layer. Tomatoes, eggplant, onions, string beans, carrots, and broken cauliflower are all good. Cook in the oven till all are tender—about one hour. The flavor is worth the extra time over boiling.

It's no time to be talking of fresh pears and peaches, though when speaking of cooking fruit in the oven, they instantly come to mind. Try baking both when the season comes round, they develop a unique and delicious flavour. Meanwhile apples are still with us, bless them, and you will like this:

SLICED APPLES IN A CASSEROLE

Pare, core, and cut about 6 apples into eighths. Put them in an earthenware casserole in layers with sugar, a slight grating of lemon rind, and cinnamon in between. Pour over them 1/2 cup of sweet cider. Cover and cook in a slow oven for as long as you can bear to leave them in. They are grand when you give them about 4 hours. Serve them hot with hard sauce, or very cold with cream. Maple syrup with them is a taste all too easily acquired, particularly by strong self-denying men. I shouldn't give that suggestion a second thought if I were you.

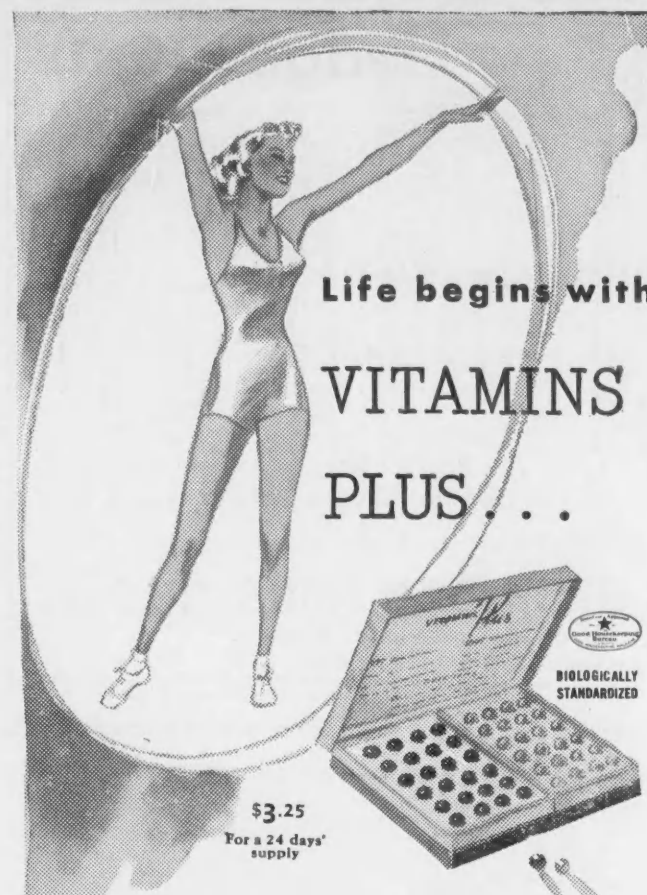
TRAVELERS

Mr. and Mrs. Leighton Elliott have returned to Toronto after a month in Florida.

Mrs. L. A. Taschereau, who has been at Delray Beach, Florida, and who also spent some time at Palm Beach, has returned to Quebec.

Judge and Mrs. Cowan have returned to Brantford after a holiday spent in New Orleans and Florida.

The Countess de Lesseps, of Toronto, is in Cuba for a visit of some weeks.



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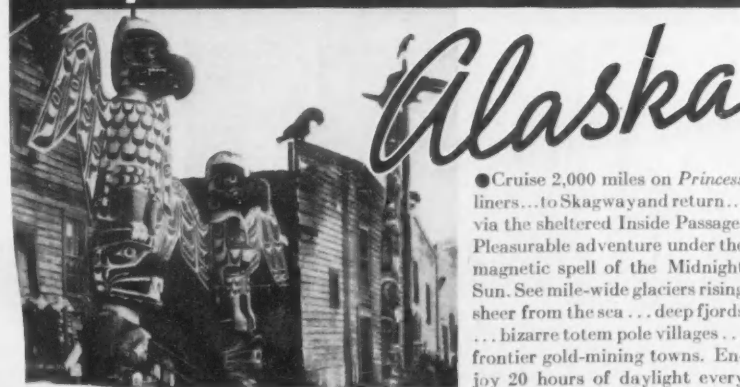
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"LAND SAKES!" When Grandmother first tasted Heinz Fresh Cucumber Pickle, she said, "I make them that way myself." And so she does!



PICKLE DISHES REAPPEAR once more on smart dinner tables. They're crystal now, instead of cut-glass, but the pickle is the same as of old! For it's Heinz Fresh Cucumber Pickle—the re-creation of a taste Canada couldn't forget!



SOMNAMBULISTS head straight for the refrigerator when there's a jar of Heinz Fresh Cucumber Pickle inside! And midnight snackeaters declare that before retiring, a sandwich of this delicacy—crisp, flavourful, not-sweet-not-sour—is perfection in gustatory nightcaps!



A CRUNCHY HUNCH for lunch or dinner, as this young lady knows, is "Keep a dish of Heinz Fresh Cucumber Pickle within reach of everyone!" Use it to garnish meats—as a sandwich filler—with canapés. And partake of it liberally to revive lagging appetites between meals.

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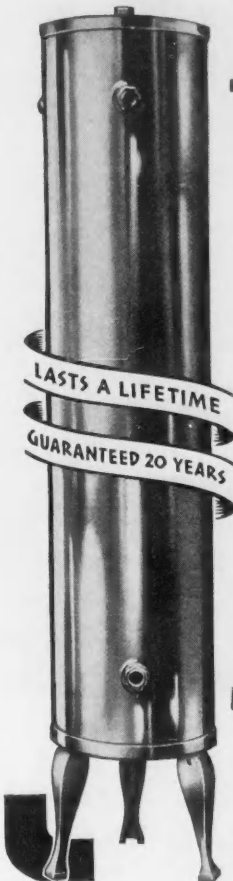




"It was positively eaten away!"

POOR MRS. DILWACK would inspect the innards of her old hot water tank—even though we warned her. But when she saw the ravages of rust—the furrowed, pocked, rusty metal, so weak in places it could hardly stand—she uttered a choked cry and fled. Unfortunately, she's a little morbid about the thing, even now. She tells her friends of the ghastly rust that used to swarm into her bath and laundry. She's still puzzled by the innocent perfection of the outside of the tank. She speaks pitifully of its youth—and it was a young tank.

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DRESSING TABLE

BY ISABEL MORGAN

IF SMOKE gets in your eyes, don't start to sing about it! Go quickly and use one of the eye preparations you use with a dropper or one of the lotions designed for use with an eye bath. These lotions or drops are a boon to tired eyes—and the perfect antidote after a long session at a night-club or a party where the fumes of cigarettes have become overpowering. Perhaps you have discovered how much more refreshing your astringent lotions are when they have been chilled in the ice box. This chilling goes for eye baths and eye-washes, too. But don't confuse eye lotions with eye astringents. The latter are intended to tighten the fine skin around the eyes that develops wrinkles before you know it.

An eye kit comes into the class of a necessity—especially when one is travelling. Suppose you get a cinder in your eye, en route. You whisk your eye bath out of your eye kit and bathe the cinder right out. And at the end of any journey, think of the soothing beneficence of those little herbal pads that fit gently over your eyes. Eye kits are kept very compact in size. Some have little droppers, but, if you find yourself without dropper or eye-cup for your eye bath, you can resort to spoons. When you use eye-cups, by the way, use two—this avoids any possible infection. And don't think that you have to fill the cups full—half full is enough.

The ultimate of something has been achieved in a comb for the eyebrows. But don't regard it as one of the frivolities of life. If your eyebrows are the kind from which single hairs rise in surprise at unexpected moments, rub on a touch of eyelash grower and comb your brows into a



MRS. DONALD LEE who took part in the Coronation Club's bridge and fashion show in aid of St. John's Convalescent Hospital.

high regard as a cure for diseases of the eye. Caesar was a collector of emeralds due to the fact that he believed this superstition.

Cleopatra owned the most famous emerald mines of her day, wore many emeralds herself and gave large emeralds engraved with her portrait to her favorite ambassadors. Later on in history we find that Napoleon's only gifts of jewels to the Empress Josephine were rare emeralds and pearls. Still later we find that the large collection of gems owned by Catherine the Great of Russia and sold by the last Czarina in 1906 was largely made up of emeralds.

The handsomest of these stones come from South America, where four hundred years ago the Spaniards found the people in the moun-



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tains of Peru wearing a king's ransom of emeralds for bracelets or ear-gems.

Emeralds were well known among the ancients especially in Egypt and Ethiopia where the chief emerald mines were. This was mentioned long before the time of King Solomon, and it is recorded that the Egyptians employed many women in

the mines on account of their keenness of vision, and it is highly probable that Israelite women were selected for this work with captives of other nations.

The stone, while very hard, curiously enough has no toughness and fractures easily. Hence unusual care in wearing and handling must be given it.



MISS HELEN WATSON, of Toronto, who is the guest of Mrs. C. K. Morgan of London, Ontario, at her Nautilus Hotel villa, Miami Beach, where she is spending the winter.

shining arc. They'll grow that way naturally pretty soon. Or comb your lashes up and down while they are damp with liquid mascara or eyelash grower and see the innocent curve they assume. Or use the baby comb to whisk out flecks of mascara that cling stubbornly. Combing the lashes after mascara also helps to fringe them.

Like millionaires' children, practically all eyes go about shadowed these days. It is getting so that you would as soon be without your eye shadow as without your lipstick. One vanity case has a little pan of eye shadow in it, so that you can re-shadow as you go. Don't forget the trick of blending two shades together. And the metallic eye shadows give you a light that shines by night. You don't have to be too sparing with these. No one will think you have gold or silver eyelids by Nature anyway, and a shining coat, smoothly applied all over the lids, is very effective. If you still prefer just a moist, dewy look without any color, colorless shadow and eyelash grower will do that for you. Every so often, a faint-hearted query rises. "But should I really wear green and blue mascara during the day?" Certainly! Don't for a minute think that your eyelashes should merely be themselves. Both green and blue are ravishing by day or night. Several mascaras are made in two shades of blue.

AND, speaking of eyes, among the many myths surrounding the emerald—the natal stone of May—the old Romans held this stone in



MRS. C. K. MORGAN, of London, Ontario, who during April is occupying one of the Nautilus Hotel villas at Miami Beach, Florida. On her arrival, Mrs. Morgan was a house guest of her sister, Mrs. J. E. Smallman, owner of Medway Stables.

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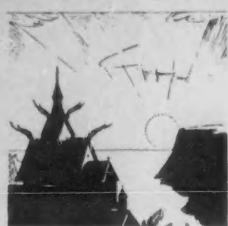
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THE STATELY COUNTRY CLUB at Pinehurst, North Carolina, where sports activities combine with social activities to make this one of the mid-south's most popular sports for vacationists.

—Photo by John G. Hemmer.

—Ports of Call

ST. ANDREWS OF AMERICA

PINEHURST in the heart of the Mid-south, once a desolate tract of 6,000 acres, has become America's greatest golfing and outdoor sports centre since its origination in 1895. The fall, winter and spring resort centre can be termed a New England autumn repeating itself in the winter and spring.

The late James W. Tufts of Boston, a man of wealth and means purchased the tract and soon after, discovering the qualities of his bargain, began to cultivate it and to make it "a place for men and women to flee from cold, weariness and worry—where the time could be spent by resting in the invigorating air and sunshine or to pass the time with outdoor activity."

The region is one of gently rolling sand hills, abundant with long-leaf pines and pure springs. The presence of the sand in the region is a mystery, but there are various explanatory theories. The most likely one is that hundreds of years ago the sand hills were a huge bed of the Atlantic Ocean, which, in time, receded to its present coastline. The sand is from ten to ninety feet deep, practically eliminating mud. Rain leaves no standing pools, as the water disappears rapidly in the porous soil.

PINEHURST is situated 650 feet above sea level, just far enough from the mountains to escape their cold winds and far enough from the ocean to escape its fog and dampness. The average temperature during the season is 53.4 degrees.

In 1897, one of the first golf courses in the South was laid out here after the style of the course at the famous St. Andrews in Scotland. Now there are seven courses within a radius of four miles.

The elimination of sand greens and the substitution of grass greens was the most forward step taken here in golf in recent years and the Professional Golfers' Association of America chose Pinehurst as the site of its annual championship tournament of 1936. These courses have been used for many years as the site of the annual United North and South Open Championship in the spring, the annual Mid-south tournament in the fall and several other important golf tournaments.

Golf officials and sports writers frequently call Pinehurst "the St. Andrews of America" and the courses have received the approval of players like Gene Sarazen, Walter Hagen, Bobby Jones, Tommy Armour, Horton Smith, Mrs. Glenna Collett Vare, six times national women's champion and Mrs. Estelle Lawson Page, present women's national champion.

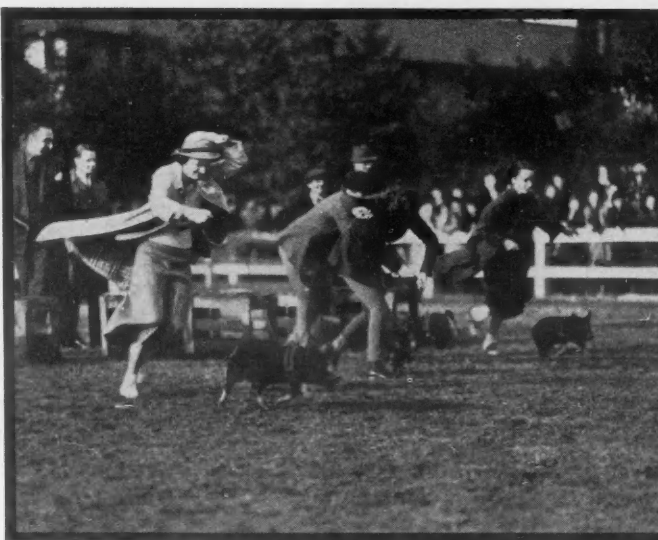
TENNIS also occupies the centre of attention here. There are six tennis courts at the country club besides facilities for badminton. Always drawing a galaxy of stars in the tennis world are the two annual tennis tour-

naments held in the spring, the amateur and the professional contests.

Equestrian activities vie with golf for first sports honor in Pinehurst. The climate and the soil, free from stones, makes it ideal for this sport. The equestrian program includes riding, driving, racing, two horse shows each year, gymkhanas, polo, a steeplechase meet, a matinee race or two each season and the training of various types of horses. On the bridge paths one sees driving and saddle horses, buggies, surries, the tallyho and victorias. There are a hundred miles or more of bridge paths and carriage roads almost entirely away from automobiles, over level stretches and gentle hills, through pines and dogwoods, cotton farms and peach orchards.

Since 1895 Pinehurst has progressed with a unity of purpose that gives it distinction. Early in 1900 the resort had a total of fifty cottages. Now there are more than 300 cottages and estates of winter residents alone in the region. Men of wealth and culture from almost every part of the world have purchased estates here where they combine the pleasures of Pinehurst with the interests of country life. Some large, some small, these homes add beauty and charm to the Sandhill section.

THE Carolina Hotel is the heart of social life. The Holly Inn, Berkshire, Pinecrest Inn and The Manor are hostels with moderate rates



HERE IS SOMETHING NEW in sports events. Fun and frolic in an "obstacle" race at one of the regular Sunday afternoon gymkhanas at Pinehurst, North Carolina, famed southern resort.

—Photo by John G. Hemmer.

adding a completeness and variety to the hotel picture.

The village has rambling thoroughfares, studded with evergreen flowering shrubs and dotted with parks, all designed to avoid the appearance of a city.

Pinehurst is in the south-central part of North Carolina, 575 miles from New York by rail and 415 miles from Jacksonville, Fla. One may leave New York at night and arrive the next morning in time for a round of golf before lunch. Motorists may come by interesting roads from all directions. Commercial planes land at the state capital Raleigh, daily, and there upon notice, passengers will be met by a conveyance for transportation to Pinehurst. A recently-improved airport with two hangars is situated in Knollwood, a mile from Pinehurst.

TRAVELERS

Mrs. Duncan Coulson and Miss Eleanor Lyle of Toronto, who have been in Bermuda, have returned to town.

Colonel and Mrs. R. L. Cadiz have arrived from Vancouver to make their home in Winnipeg. Col. Cadiz has been assistant commissioner with the Royal Canadian Mounted Police and commanding officer in British Columbia. Lieut. Col. Goodeve and Mrs. Goodeve

are also due in Winnipeg shortly from Regina. Col. Goodeve is being transferred to Winnipeg in the permanent force.

Mr. George Crookston has returned to South America after spending two weeks in Toronto with his brother and sister-in-law, Mr. and Mrs. Ian Crookston.

After a month's cruise to Havana and Nassau with her mother, Lady Stavert of Montreal, Mrs. Grahame Stewart has returned to Toronto.

Mr. and Mrs. Desmond Hurley and their son, Master David Hurley, of Dublin, Ireland, will arrive in Canada May 1, and will be the guests for some weeks of the latter's mother, Mrs. Gordon Hoskin of Toronto.

Mr. and Mrs. Athol McBean have returned to Winnipeg, after spending the winter months in Nassau.

Mr. and Mrs. H. D. Gooderham of Winnipeg, have taken a house in Victoria for a few months. They have their daughter Miss Marjorie Gooderham with them.

Captain and Mrs. C. Churchill Mann have returned to St. Johns, Quebec, after spending the winter months in Bermuda.

Mr. J. H. Arkell of Niagara Falls, Ont., has left for California. He will later visit his brother, Mr. R. H. Arkell of Vancouver, and return via the Canadian Rockies.

His Lordship Bishop Lucas and Mrs. J. R. Lucas, have left Toronto for England, where they will spend the summer.

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SOCIAL WORLD

BY BERNICE COFFEY

HER Excellency the Lady Tweedsmuir has sailed aboard the Duchess of Bedford for several months' holiday in the United Kingdom. She will return to Canada in the late summer.

MRS. Percy Gardiner, who is a member of the Women's Committee of the Summer Symphony Association, was hostess at a tea for all the captains and workers of the committee at her residence on Friday, April 29. Mrs. F. N. G. Starr and Mrs. W. J. Henning presided at the tea table. Mrs. Frank Hay addressed the gathering and presented a report on the campaign. Mrs. J. F. Ross, Mrs. Floyd Chalmers, Mrs. R. de Bruno Austin, Mrs. Wilfred Jenner, Mrs. Douglas Hallam, Mrs. W. F. Houston, Mrs. Harris McPhedran and Mrs. Alexander were among the assistants.

MANY "after Lent" parties have been on the tapis during the past week. Mrs. Cyril Knight entertained at a large reception in honor of her daughter-in-law, Mrs. Hewson Knight, at the Eslington Hunt Club. Mrs. George Dean of Ottawa, mother of Mrs. Hewson Knight, received with her hostess, Mrs. Alfred E. Beck and her young daughter, Miss Barbara Beck, were hostesses at a tea for two charming visitors to Toronto, Miss Mary Ramsay of Forfarshire, Scotland, and Mr. Anders Timberg of Stockholm. Mr. and Mrs. Beck, their visitors, and Miss Beck received the numerous guests in the attractive drawing room of their residence. Those who poured tea during the afternoon included Mrs. Edward Reynolds, Mrs. A. E. Dymont, Mrs. Ewart Osborne, Mrs. Charles Temple, Mrs. R. C. H. Casels, Mrs. Carr-Harris.

MISS Debora Coulson, a bride-elect of the past week, has been much entertained. Mrs. George Armstrong entertained at a luncheon for Miss Coulson and her bridal party. Mr. Rupert Young entertained at a cocktail party for Miss Coulson and Mr. Armstrong. Miss Harryette Coulson was hostess at a cocktail party, and Mrs. John Coulson Jr., at a buffet luncheon. Miss Jean Dunlop gave a buffet luncheon at the Ladies' Club, in the afternoon Mr. and Mrs. Britton M. Osler a cocktail party, and in the evening Mr. and Mrs. Eric Ellsworth a supper party. Mr. and Mrs. Ian Crookston entertained at the Toronto Hunt Club at a cocktail party, and in the evening Miss Eleanor Lyle at a supper party. Miss Ann and Miss Jean Taylor of "Oak Ridges" were hostesses at a supper. Mr. Puff Carr-Harris entertained at a cocktail party.

Miss Betty McBean, whose marriage to Mr. David Leggett takes



MRS. E. W. HALDENBY, newly elected regent of the 48th Highlander's Chapter I.O.D.E., who is among those arranging for the coming band concert and carnival to be held on May 7 by the members of the chapter.

—Photograph by Sheriff Studio.

place shortly, has been the *raison d'être* of much entertaining. Among those who have given parties in her honor are Miss Betty Wallace and Miss Margaret Young, who were hostesses at a shower and tea at the former's home, and Mrs. Ray Manbert, Mrs. Hedley Shaw Jr., Mrs. Boyd Caldwell, Miss Joyce Tedman, Mrs. Arthur Reece and Mrs. Betty Mitchell.

AMONG the patrons and patronesses for the concert given by students of The Ontario School for the Blind at Eaton Auditorium on Friday, April 22, were: His Honor the Lieutenant Governor of Ontario and Mrs. Albert Matthews, Sir Charles Lindsay, Hon. Mr. Justice and Mrs. W. R. Riddell, the Hon. Dr. and Mrs. L. J. Simpson, Dr. and Mrs. D. McArthur, Right Hon. Sir William Mulock, His Worship the Mayor and Mrs. Ralph Day, Mr. L. M. Wood, Mrs. Lionel Clarke, Lady Kemp, Lady Baillie, Mr. and Mrs. G. G. Adam, Lieut.-Colonel and Mrs. E. A. Baker, the Hon. Dr. and Mrs. Herbert Bruce, Brig.-General and Mrs. D. C. Draper, Mrs. D. A. Dunlop, Col. and Mrs. R. Y. Eaton, Sir Joseph Flavelle, Mr. and Mrs. J. A. Hammell, Mrs. W. A. Kemp, Mrs. Wilmot D. Matthews, Dr. and Mrs. Peter Sandiford, Mr. and Mrs. G. Harrison Smith, Mrs. H. D. Warren.

A POPULAR event on the evening of Saturday, May 7, will be the 48th Highlander's band concert and carnival held in the University Avenue Armories under the auspices of the 48th Highlander's Chapter I.O.D.E. There will be many gaily decorated booths, games, dancing and prizes. Mrs. W. W. Darling is the convener, assisted by the new regent, Mrs. E. W. Haldenby, and the enthusiastic members of the Chapter. The program and music for dancing are under the direction of Capt. J. Slatter, V.D. Pipe-Major Fraser and his pipers will play for the Scottish dances. Mrs. R. L. Merry is convening the dancing, assisted by Mrs. E. D. Ganong. Among the conveners are: Mrs. R. Y. Cory, assisted by Mrs. Lyman Crawford Brown, and Mr. and Mrs. J. S. P. Armstrong; Mrs. F. S. Allan; Mrs. Alex. Sinclair, assisted by Mr. and Mrs. Adam Simpson Smith and Mrs. J. E. Chipman; Mrs. Bruce King; Mrs. Fred Macdonald, assisted by Mrs. Hugh Donald, Mrs. Everett Bristol, Mrs. T. Church, Mrs. J. Jamieson, and Mrs. J. Kirkness; Mrs. W. W. Southam, assisted by Mrs. Richard Southam, Mrs. Charles Gossage, Mrs. Marcel Morgan, Mrs. C. E. Eastbury, Mrs. J. A. MacFarlane and Mrs. Hugh Barwick; Miss Winnifred Cameron; Mrs. D. D. McLeod. Among the young ladies selling raffles are: Miss Eleanor Hamilton, Miss Dorothy Patterson, Mrs. Howard Elgie, Miss Peggy McCordick, Miss Louise Oxley, Miss Ellen Ralph, Miss Elizabeth Gordon, Mrs. Stuart Osler, Mrs. Philip Seagram.

ENGAGEMENTS

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Croucher-Kelly—Miss Evelyn Goldie Kelly, daughter of Mrs. John H. McCormick and of the late Ward A. Kelly, to Mr. Charles T. Croucher, son of the late George Croucher and of Mrs. Croucher.

ROTHESAY, N.B.

Emerson-McAvity—Miss Jean Armstrong McAvity, niece of Mrs. W. L. Caldwell, to Mr. Robert Lorimer Emerson, elder son of the late Mr. and Mrs. Stanley Emerson of Saint John.

MONTREAL

Budden-Grier—Miss Diana Grier, daughter of the late A. E. Grier and of Mrs. Grier, to Mr. William Hanbury Budden, of Ottawa, son of Mr. and Mrs. Hanbury Budden.

WEDDINGS

MONTREAL

Daniels-Grant—On Saturday, April 23, Miss Catherine May Grant, daughter of Mr. and Mrs. Duncan C. Grant, and Mr. F. Ryland Daniels, son of the late F. G. Daniels and of Mrs. Daniels.

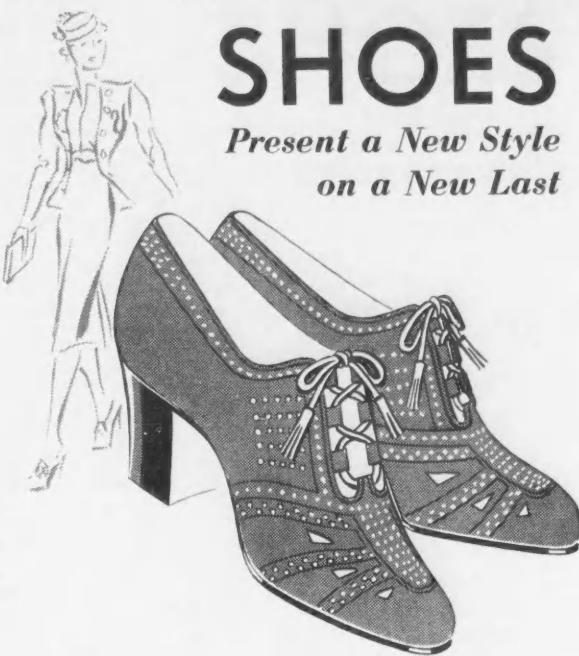
Prevost-Pelletier—On Thursday, April 21, Miss Marguerite Pelletier, daughter of Mr. L. E. Pelletier and of the late Mrs. Pelletier, and Mr. Claude Prevost, son of the late Honorable Jean Prevost and of Mrs. Prevost.

TRAVELERS

Hon. Arthur Hardy and Mrs. Hardy, who have been spending some time in Florida, have returned to Ottawa. Mr. and Mrs. Thomas Carls have returned to Montreal from Barbados, B.W.I., where they spent the winter. Mr. and Mrs. Douglas A. Campbell and their daughter, Miss Helen Campbell, who have been in Chandler, Arizona, have returned to Toronto.

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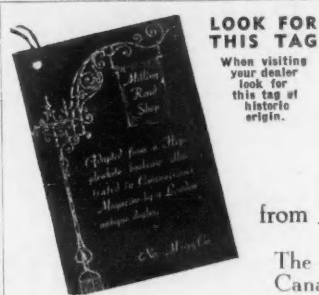


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Mr. and Mrs. Norman Leach of Winnipeg, have sailed for England and will be there about two months. Dr. J. G. Cormier of Sydney, N.S., is in Vienna, Austria, where he is taking a post graduate course.

Mr. James R. Fowler who has been the guest of Mr. and Mrs. W. Roy Fowler, Sackville, N.B., has left for Boston. Mr. and Mrs. John H. Phippen have returned to Toronto after a trip to California.



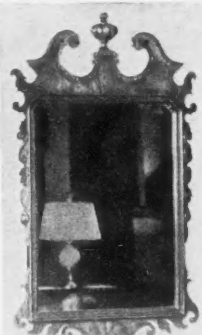
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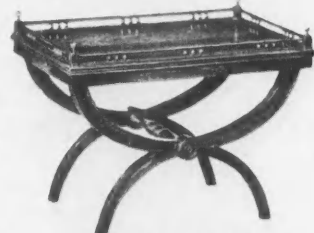
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—London Letter

"STAGGERING" HOLIDAYS

London, April 11

NOW that Summer Time—you know, Daylight Saving—is with us again, the question of summer holidays is also very much to the fore. In fact, for wise and provident families it was probably to the fore early in January. Or, if they were especially provident, immediately last summer's holiday was over.

It is now being proposed that summer holidays should be "staggered," as well as hours of work. We are rapidly becoming stagger-minded. And, when you come to think of it, there seems to be no more reason why everyone should take their holidays at the same time of year, than why all the toilers of London should be forced to catch almost the same trains and buses.

August is the great holiday month in England, as it is in most other countries, I suppose—with the last two weeks of July and the first two of September as a sort of margin of expansion. But what is wrong with the first two in July or the last two in September? And surely there is nothing at all wrong with the month of June, usually one of the most delightful of the whole year—especially in the north.

In larger and roomier countries the holiday problem is not very acute—or, at least, not so acute. But in this extremely crowded little island, and especially along the festive South Coast, August is a horror—packed trains, packed hotels and boarding-houses, packed everything, noise, confusion, discomfort, and bad temper.

Last week a number of railway and Press representatives got together down at Newquay in Cornwall to consider the problem. They stated, among a lot of other terrifying statistics, that the four main railway lines of the country carry in August twenty million more passengers than in a normal month. Twenty million—think of it!



THE GREAT SEALS OF ENGLAND were recently completed at the Royal Mint for the reign of King George VI. Designed by G. Kruger Gray, C.B.E., the seals weigh about nine lbs. each and are used for impressions on documents of the highest national importance. Photo shows the plaster casts from which the seals were made, left the seal, and right the counterseal.

And the confusion is going to be a lot worse confounded, if the recommendations of the "Holidays-with-Pay" Committee are carried out. The report will be published in another week or so, but already it is known that the effect of the reforms they suggest will be to raise the number of workers who enjoy paid holidays each year from 3,000,000 to 13,000,000. Think of that, too! And it is a safe bet that most of them will want to get down to the seaside sometime, somewhere—in August!

Oh, well, how quiet and leisurely London will seem when the holidays are over! The old office will seem a haunt of cloistral peace. Even the old boiler factory will be a place of refuge. And, after all, is it not one of the chief purposes of holidays to send people back to their work feeling glad to get there? They'll be glad all right! In fact, we may yet hear of Labor protests against holidays as one more form of capitalist oppression.

TALKING of Labor protests, there was a rather dramatic—not to say melodramatic—one in the House of Commons the other day. Mr. Shinwell, a former Secretary for Mines in the Labor Government, was taking part in a heated and acrimonious discussion on foreign affairs. In the course of it he was advised by Commander Bower, M.P., to "go back to Poland."

On the face of it, that might not seem a very dreadful thing to say. But possibly Mr. Shinwell has his private reasons for feeling extremely touchy on the subject. Anyhow, he walked across the floor of the House to the honorable and gallant Member, and gave him a wallop on the side of the head—"it 'im in the ear-ole," as they say in the East End.

You can imagine the general horror in the Mother of Parliaments, where such incidents are not nearly so frequent as they ought to be—considering how much they add to the interest of the debates. The only person who seems to have preserved complete calm—though not without difficulty, perhaps—was "he who was slapped." The honorable and gallant Member kept his arms folded, and, except for a slight flush, gave no indication that he regarded a crack in the ear as anything but a matter of Parliamentary routine. He seemed hardly aware of it.

Admirable, but too bad! They order these things better in France. When anyone slaps anyone else in the Chamber of Deputies, they make a day of it. Everyone turns around and slaps everyone else, and a grand time is had. But this wasn't even a private fight at all.

Commander Bower certainly displayed a "commendable self-restraint," in the dignified phrase of *The Times*. And it really was self-restraint, and not merely a wholesome fear of what might happen to him if he displayed anything else. Commander Bower is one of the biggest men in the House, and among other athletic accomplishments was at one time a boxing champion in the Navy. So if he had accepted Mr. Shinwell's open and repeated invitation to step out into the Lobby and settle the business man-to-man, Mr. Shinwell might have had a very bad quarter of an hour—or perhaps a bad quarter of a minute.

No doubt Commander Bower chose the better part—much as one may regret it. Much as he may regret it himself, on second thoughts! And yet it is not so very long ago that Mr. Amery punched Mr. Buchanan. And back in the great days of the Home rule debates they used to have a free-for-all nearly every night. It was some fun being a Member then. Even today it is perhaps just as well that Mr. Shinwell didn't pick on someone like Winston Churchill. I have a feeling that Winston would not have displayed a "commendable self-restraint."

POSSIBLY, as one who has spent most of his working life (if it can be so described) hanging about newspaper offices in one incapacity or another, I may be inclined to exaggerate the importance of the Press in national life. Certainly there are a number of countries in Europe, where the Press is not much more nowadays than a sort of megaphone through which the voice of totalitarian authority addresses the varlet populace.

But recently there was published a report which seems to me to be full of interesting information. It is a huge document of some 150,000 words—and at that is described as merely an "interim report"—and is the work of the Press section of P.E.P. Its purpose is to present "a clear and balanced account of the present state of the Press, and its problems and achievements as an industry and as a social organ."

Just in case the reader should imagine that the letters P.E.P. stand for "pep," I hasten to explain that they really mean Political and Economic Planning, which is the name chosen by a large and distinguished group of social and economic investigators to describe themselves and their activities.

BY P. O'D.

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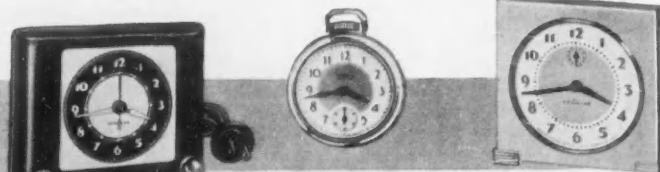
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TRAVELERS

Mrs. L. deB. McCrady and her daughter, Miss Charlotte McCrady, who have been spending the winter at their residence in Charleston, S.C., have returned to Montreal.

Sir Charles Gordon of Montreal, has sailed by the Montrose for his estate, "Torridon," Scotland.



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SATURDAY NIGHT

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TORONTO, CANADA, APRIL 30, 1938

P. M. Richards,
Financial Editor

MR. ROOSEVELT MAKES NO ADMISSION OF ERROR

By Making Concessions to Business, He Might Have Furnished Himself With More Than a "Third Round of Ammunition"—But He Chooses Another Spending Spree

BY J. H. SIMPSON

THE prediction contained in these columns on April 9, "the American people can look for greatly increased governmental expenditures, and the devil take the future," was startlingly fulfilled in President Roosevelt's Maundy Thursday fireside talk. The old English custom of the giving of Maundy pennies by the ruler has had a sad blow in the teeth. Mr. Roosevelt, in a quiet and even voice, gives billions.

Politically, the talk was a splendid one. It has probably brought back into the fold many thousands of voters who were beginning to wonder if Relief really was going to be stopped. Now the President has promised them that once again they will be cared for. And do not worry, says the Happy Optimist. "In this situation there is no reason and no occasion for any American to allow his fears to be aroused or his energy and enterprise to be paralyzed by doubt or uncertainty."

Is there not?
It is true that those who had begun to feel that the President had lost his will to care for the unemployed had their fears allayed. And on the "one step enough for me" theory there is much justification for the President's program. Nobody can, with confidence, assert that artificial steps to restore prosperity—even though it be but for a time—in the United States are unnecessary and unjustifiable. No doubt the President waited as long as he dared—waited until a third of the entire population of the city of Toledo, for instance, had gone on relief—before coming out with his program. And he waited until existing relief funds were perilously near exhaustion. The hoped-for Spring revival of business was not even in sight. Something, obviously, had to be done.

But to say "don't worry!" Ah! that is something else again.

MY OWN reaction to the speech, as I listened carefully to it, was one which no doubt I shared with millions. I kept waiting for him to explain why he thought that Spending Spree No. 2 would succeed when Spending Spree No. 1 had been such a dismal failure. But he glossed over the point. Reference was made to the mistakes of the buying spree which ended in 1929 but there was no mention of the mistakes of the spending spree which ended in 1937 except the inference that it consisted of only two rounds of ammunition instead of three.

"You and I cannot afford to equip ourselves with two rounds of ammunition where three rounds are necessary. If we stop at relief and credit, we may find ourselves without ammunition before the enemy is routed. If we are fully equipped with the third round of ammunition, we stand to win the battle against adversity. This third proposal is to make definite additions to the purchasing power of the nation by providing new work over and above the continuing of the old work."

The assumption is based on hope rather than on logic. And the military metaphor was singularly unfortunate as everybody knows that it is an unlimited supply of ammunition, not the difference between two rounds and three, that wins battles.

THE reactions to the speech were interesting. The stock market went up (inflation). But weirdly enough, United States Government bonds went up too. Logically, an announced forthcoming increase of four or five billions in the Federal debt should weaken Federal bonds but it did not work out that way, in the meantime at least. The lowering of the Reserve requirements released some \$750 millions of bank funds for lending or investing. As any banker will tell you, the chances of greatly increasing bank loans at the present time are completely non-existent. So the \$750,000,000 becomes available for investment. And in what can American banks invest anything like this amount? In government securities. Q.E.D. One law which will always remain a law is the law of supply and demand.

Personal reactions to the speech were often as illogical as the reactions of the markets. For instance one of the leading spokesmen for Business, Mr. David Lawrence, got rather hysterical on the subject of inflation. He started his syndicated article of April 15 thus: "The biggest battle in the history of the United States has just begun—the battle to preserve the American dollar and its purchasing power. It is a battle which may not be over in just a year or two, a battle that will, if lost, bring untold hardships for the working people of America. It is a battle against the worst of economic diseases the world has ever known—inflation."

MR. LAWRENCE is wrong. That battle has not just begun. It began in 1933, when Spending Spree No. 1 started! He and all the rest of the sound-money protagonists were saying exactly this exactly five years ago and it is a somewhat disconcerting fact that the present-day debased American dollar enables the working people of America to buy about the same quantity of essentials—and non-essentials too, for that matter—as in the old gold-standard days. Much more, in fact, than in the gold-standard days of the 'twenties. A queer fact this, and one which rather confounds those who scream, as Mr. Lawrence did on April 15, about what happened in Germany in 1923 and in France in the latter part of the eighteenth century.

Whatever the near future may bring to the United States there is no precedent for believing that it will bring inflation, any more than for believing that three rounds of ammunition will win a battle when two will not. A modicum of inflation, in fact, is what the American government, consciously or uncon-

sciously, is fervently praying for. It is probably the only way the budget can ever be balanced without a re-adjustment of debts involving partial default.

A more valid criticism of the President's speech is that it contained no admission of error. He stood by his disastrous reforms. Had he announced the error of the Social Security Act and promised a complete re-vamping of this measure he might have found himself with four rounds of ammunition. (I do not wish to appear hipped on the subject of this

Social Security Act but it is such a terrible blunder that it is difficult to omit reference to it in any article on the American economic situation.)

Had he promised a "let-up" in his attack on the public utilities he might have had Round No. 5, and had he held out any hope of a lessening of the pro-labor provisions of the Wagner Act he might have had Round No. 6.

But unfortunately these concrete concessions to Business were not forthcoming and so the chances of making Spree No. 2 more efficacious than Spree No. 1 went glimmering.

(Continued on Page 21)



NEIGHBORLY ADVICE

CURRENCIES IN MELTING-POT

Chances of a Real Deterioration Now Seem Equally Shared Between Sterling and the Dollar—The Erratic Franc

BY GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

THE spring has become the occasion for currency troubles just as the autumn will be remembered, mainly because of the Tripartite Agreement, as the time for solving them. But this year there has been taking place a profound readjustment of the three major currencies, and the necessity for putting them on a new basis may prove too urgent to be long delayed. The Tripartite Agreement of autumn 1936 may seem to have received its death-blow by the troubles of the franc, which last year sent the currency out to 150 to the £ and this year are keeping it around 160, or cheaper, with the prospect of worse to come.

The agreement did not specifically define the relationship which should subsist between the currencies, but it did state that a depreciation which gave a country a distinct trading advantage would constitute a breach. Therefore, economic opinion took a new view of the matter when it was officially intimated that the franc could grow very cheap indeed yet the agreement could still stand. It began to be believed, in fact, that the Tripartite Agreement was actually a unilateral agreement between the United States and Great Britain, and that it served their interests so well that no misdeeds of the French currency should be considered as ade-

quate cause to disturb it. The subsequent depreciation of the dollar, however, well past 5 to the £, upset this idea, too, and raised the question, whether the agreement was any longer effective at all.

A strong, or at least a stable, franc would be a pillar of support for the agreement. Fundamentally the financial position of France contains nothing to suggest that a franc at 160 is overvalued. But the position is overlaid with political elements which tend at once to confuse the issue, both for Frenchmen and for foreign observers, and to provide embarrassment for the currency. Washington and London have urged upon France the need for the political unity which will enable that country to proceed without distraction towards the fulfilment of her rearmament program. Such a political cohesion would put an end to the conditions in which large quantities of gold periodically desert Paris for safer havens.

THE franc position, therefore, must remain uncertain until the political destiny of the country is assured. The problem confronting the British and American Treasuries is a different one. American capital is rarely known to shift, in the search

(Continued on Page 24)

BUSINESS AND MARKET FORECAST

BY HARUSPEX

THE PRIMARY TREND of stock prices and business, under Dow's theory, turned upward in the summer of 1932. During the course of the recovery movement, there have been three setbacks, or corrections, the last of which, more substantial than the two preceding, got under way in March, 1937. Like the other two, there is no present reason to assume that the last setback, while more prolonged and severe, is other than an interruption, to be followed, in due course, by the attainment of new high levels for the entire movement from 1932.

THE INTERMEDIATE TREND of stock prices was signalled as downward on April 7, 1937. This trend was reconfirmed as downward on March 25, when the Dow-Jones industrial average moved below its November 24 support point, thereby duplicating weakness of an earlier date in the railroad average. Evidence is lacking, despite the current vigorous rally, that the intermediate trend has yet reversed upward.

THE PRICE MOVEMENT. Since March 31 the market, as reflected by the Dow-Jones industrial average, has rallied, in terms of extreme rather than closing range, by 23.96 points or 24.58%. This compares with the June 17-August 14, 1937, rally of 27.07 points, or 16.57%; the October 19-October 29, 1937, rally of 25.39 points or 21.92%; the November 23, 1937-January 12, 1938 rally of 22.41 points, or 19.91%. Thus the current movement, to date, falls within the approximate range of other rallies in the down-movement since March, 1937. (Continued on page 22)



CANADIAN business is clearly getting to a position from which it could move strongly forward, whenever conditions in the United States, Britain and elsewhere are such as to lend encouragement and promote confidence. We ought to have good grain crops this year, with seeding and moisture conditions the most favorable in many years, and the present prospect is for a good export demand at prices that will yield satisfactory profits to the growers. If hopes are realized, all Canada will benefit greatly. Mining, which has done so much to sustain the national economy in late years, promises to be more active and productive this year than ever. The heavy industries have been aided by orders for railway equipment and aircraft, and are hoping for substantial orders for war planes for the British government. National finances are improving, and the employment situation is relatively favorable, with prospect of further improvement. Most important of all is the evidence, now plain enough for all to read, that Canada's economy has successfully withstood the down-drag of the sharp U.S. slump. Though Canadian industry and trade have fallen off, the decline has been insignificant compared to that which has occurred across the border.

WHILE Canadian business seems likely to strengthen rather than to decline any further, a strong forward movement probably depends very largely on the trend of business developments in the U.S. itself. How will U.S. business react to the Administration's new spending, lending, credit-creating, recovery program? Unfortunately there seems to be little basis for hope that there will be the strong, sustained upsurge that the Roosevelt forces are counting on. That is because the new recovery program does not deal with the real needs for business recovery. The compromise on the tax revision bill is helpful as far as it goes, but it covers only two years, and in any case much more remains to be done before business can feel sufficiently sanguine about the long-term profit prospect to induce a new flow of private capital into productive enterprise.

THIS is the real point, but the Administration refuses to see it. American business is sick, and it needs a cure, not another "shot in the arm". What is wrong with it is that private investment funds have ceased flowing into industry for the expansion of existing enterprises and the launching of new ones. How many new ventures (other than mining) has the reader seen launched in either the United States or Canada in the last half-dozen years? And this despite the multitude of new processes, new materials, new inventions, new needs waiting to be developed.

PRIVATE capital now goes into government bonds, and governments spend it to pay government salaries and interest on debt, for unemployment relief, and for post-offices, bridges, dams and highways. These are nice things to have, for some people at least, but they are not directly productive. They don't provide continuing employment like a successful industry does. For prosperity and progress there must always be new enterprises coming along, to replace ultimately those which have lost their usefulness. There are practically none such today. That is the primary reason why we have unemployment and relief problems, and why we shall continue to have

them, unless there is a radical change in the governmental and public attitude toward the investment of private capital. It also explains why "technological" unemployment—the progressive displacement of labor by machines—is viewed so seriously today. New industries would absorb most of those displaced, but nowadays there are no new industries.

THIS condition is not a new one, of course, nor by any means solely attributable to Roosevelt and his New Deal. The latter only greatly accentuated the trend. Governments for many years past, in many countries, have been choking off industrial development and progress by excessive taxation, burdensome restrictions and governmental competition. The only difference between Canada and the United States, in this respect, is one of degree. We are suffering from almost exactly the same things that U.S. business is suffering from, but not so severely. Like the United States, so long as these conditions persist, we can be sure that we shall not enjoy the prosperity we think we are entitled to.

THE simple fact is that if the United States and Canada are going to retain democracy and an economy based on private initiative and enterprise, they must provide conditions favorable to them. Otherwise they (those institutions) will wither and die. Business doesn't need more governmental spending and lending, but only the opportunity to make a profit and keep it. Without the prospect of profit, there is no business. Why will not Roosevelt face this fact? It is his refusal to do so that keeps business and the stock market fearful.

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GOLD & DROSS

It is recommended that answers to inquiries in this de-
partment be read in conjunction with the Business and
Market Forecast appearing on the first page of this section.

CANADA AND DOMINION SUGAR

Editor, Gold & Dross:

I have been given the opportunity to buy a few
shares of stock in the Canada and Dominion Sugar
Company, Ltd., and from what I can gather it is an
opportunity I should take advantage of. Would it be
too much trouble for you to let me have some informa-
tion, particularly as to recent earnings and dividends and
the outlook? Do you think I should buy this stock?

—W. T. R., Montreal, Que.

I think that you should. As a matter of fact
while this company has 500,000 shares of no par
value capital stock outstanding (its sole capitaliza-
tion) it is very closely held and consequently there
is very little trading. Current quotations are around
60 which compares with a high of 68½ and a low
of 59½ for this year; as to dividends while the
regular rate is only \$1.50 annually, in recent years
extras have been paid, producing an excellent return
to shareholders. In the last two years there have
been two extras of \$1 each, or a total return of
\$3.50; in the year ended January 31, 1935 the ex-
tras totalled \$1, or a total distribution of \$2.50 as
against totals of \$2 and \$1.50 in the two previous
years. In the past it had been the company's custom
to declare the regular dividend in advance and to
carry it as a current liability; this year this custom
was abandoned but I do not interpret it as a danger
signal. It is impossible to say what the current year's
earnings or distribution may be—sugar prices have
been declining and it remains to be seen how this will
affect profit margins—but I feel sure that share-
holders will receive adequate returns.

Not only does the company enjoy a very strong
financial position but earnings in recent years have
been running at highly satisfactory levels. The re-
cently released report covering the fiscal year ended
with January last shows per share equal to \$4.66 on
the common stock as against \$3.28 in the previous
year; \$4.37 in the year ended January 1936 and a
similar amount in the previous year. The strong
liquid position permits of distribution of practically
the entire earnings as dividends; in one year, as
you can see, distribution actually exceeded income.
The last balance sheet available, that of January 31,
1938, showed total current assets of \$15,836,083, in-
cluding cash of \$3,073,745 and Government bonds of
\$9,224,207, against total current liabilities of \$920,-
724. Net working capital stocks at \$14,915,359 as
against \$13,216,746 at the close of the previous year.
Last year operating profit was \$2,467,677 as against
\$2,118,253 in the previous year and contingency
account was increased by \$250,000 bringing the total
of that account to \$1,975,000. As you can see the
company is splendidly situated to weather any tem-
porary decline of business or prices.

Canada and Dominion Sugar is a merger of the
previous Canada Sugar Refining Company and the
Dominion Sugar Refining Company and now op-
erates plants at Chatham and Montreal. The manage-
ment is exceedingly efficient, sales policy is energetic
and I understand that the company supplies some-
thing like one-third of the total sugar consumption
of this country. Because of the basic nature of its
business the company is naturally less affected by
shifts in the business level but on the other hand it
naturally benefits from the larger consumption in
times of prosperity. At the present time I see no
reason to doubt but that many years of profitable
operation lie ahead.

CANADIAN WINERIES

Editor, Gold & Dross:

I own some of the common stock of Canadian Win-
eries, Ltd., which I have had for quite a few years. I
had decided that it wasn't much good but now I have
read in the paper that this company is going to pay a
dividend. This must mean that things are better.
Maybe the stock is worth hanging on to but I lack in-
formation. I would be very grateful for a few facts and
your opinion.

—K. T. W., London, Ont.

You are quite right that the general picture con-
cerning Canadian Wineries has materially improved
and I agree with you that your stock is worth hold-
ing. The company's fiscal year ends April 30 and
the report should normally make its appearance in
June; there has been no official statement as to what
full year's earnings may be but certainly the de-
claration of a 15 cent dividend, payable June 1 to
holders of record May 14 is an indication of definite
progress. And in the meantime the general news
concerning the company continues to be encouraging.

There has been no distribution on the capital
stock of this company since June of 1935, when 10
cents and 5 cents extra was paid, the dividend for
the whole year being 25 cents; in the previous two
years 20 cents was paid; in 1932, 15 cents; in
1931 and 1930, 50 cents and in 1929 an initial
dividend of 25 cents. You may recall that in 1936
shareholders, who had been dissatisfied with the
conduct of the company's affairs, elected five new
directors and since that time there has been an en-
ergetic move to attain a sound position. A great deal
of the company's troubles came from the establishing
of an American subsidiary company at Lewiston,
N.Y. There were rosy dreams of the wine-consuming
capacity of the U.S. public which, however, failed
to materialize; during the whole period of its ex-
istence the American company constituted a severe
drain on the resources of the Canadian parent. In
1937, the enterprise was finally abandoned and the
U.S. plant was disposed of for \$100,000 in cash, not
only eliminating the likelihood of further operating
losses, but materially improving the balance sheet
position of the Canadian company.

In the year ended April 30 the company reported
a net deficit of \$14,653 which compared with net of
\$4,582 in the previous year and of \$47,743 in 1935;
these are equivalent to per share figures of a de-
ficit of 13 cents and earnings of 4 cents and 42 cents
on the 114,000 shares of no par value capital stock
outstanding. As an indication of the improvement
which has taken place are the official figures for the
first half of the 1937 fiscal year, which showed net
earnings of \$37,435 compared with a deficit of \$22,-
202 in the corresponding period of the previous year.
I understand that for the whole year, final figures
will show a sales gain of approximately one-third as
against the previous year; it is impossible at the
present time to translate this into earnings, but cer-

tainly shareholders may look forward with confidence
to a greatly improved statement.

Last balance sheet of the company, which of
course does not reflect the sale of the Lewiston plant,
showed total current assets of \$629,448 including
cash of \$17,934 and inventory of \$524,928, as against
total current liabilities of \$96,178. Naturally the
forthcoming statement will show further material
improvement. While the native wine industry in
Canada suffers from severe competition from im-
ported wines and other beverages, there apparently
is a profitable field for well-managed companies. In
my opinion your stock is currently well worth
holding.

LAGUNA

Editor, Gold & Dross:

What is your opinion of Laguna Gold Mines? I
purchased this stock largely on its sponsorship; can
you tell me something about its management, and what
are my chances for dividends?

—S. O. W., Brandon, Man.

Answering your last question first, I don't think
you will have to wait long until the initial dividend is
paid by Laguna Gold Mines, which is not a bad record
considering the property just came into production
a year ago August. J. H. C. Waite, president, told
shareholders at the annual meeting held on March 30
that a policy would be followed of paying out earnings
in dividends as it was not the intention to perpetuate
the company beyond the life of its present property.
According to Mr. Waite it was felt necessary to have
a reserve of \$100,000 before commencing distribution
of dividends. The company has about \$112,000 in
cash with the returns for March production still to
come in. As plant enlargements are planned which
will cost approximately \$35,000, it is unlikely profits
will be applied toward dividends until after the first
of May.

Laguna is a subsidiary of Mining Corporation of
Canada and consequently enjoys excellent manage-
ment. The 50-ton mill which commenced operations
has been gradually stepped up to 90 tons daily. Pro-
duction last year averaged about 81 tons as compared
with an average of 59 tons for 1936. With the mill
now handling about 2,700 tons monthly and with mill-
heads of about half an ounce, production is approxi-
mately \$45,000 from which there is an operating
profit in the neighborhood of a third of this total. It
is estimated there is a year's ore supply ahead for the
mill and encountering of the downward extension of
the main vein on the new 1,250-foot level will natu-
rally have added to the ore reserves. At the annual
meeting it was stated that reserves at present are
equal to or greater than when production first started
and yet more ore than was estimated at the start has
been milled to date.

Sinking of the shaft to 1,250 feet has proven that
the ore carries to depth and opens up possibilities of
greater ore success than was met on the two levels
immediately above. Where intersected on the bottom
level the main vein showed a width of about three feet
of quartz. While values were not high it was expected
that a few rounds would bring the drift into the
downward extension of the ore shoot on the level
above, which averaged 1.02 oz. across 26.4 inches for
130 feet. The management is hopeful that develop-
ment on the new bottom level will duplicate condi-
tions on the upper levels where a good grade of ore
was encountered over substantial lengths and if the
anticipated results are met with at depth the ore
picture will be greatly strengthened and the profit
making possibilities enhanced.

Laguna had net profit of \$71,979 in the year ended
Dec. 31, 1937, equal to almost 2.4 cents per share on
the 3,000,000 shares outstanding. This compares
with a loss of \$14,367 in the previous year, when the
mill operated only five months. Income for the year
amounted to \$519,482, of which \$519,411 was from
bullion sales. Operating costs, including current
development, head office expense and interest charges,
amounted to \$368,578. Advances from Mining Cor-
poration of \$151,267 at the end of 1936 were paid
off during the year. Cash on hand at the close of the
year was \$60,062, bullion in transit \$37,826 and
accounts receivable \$2,172. Accounts payable were
\$18,501 and reserve for taxes \$3,100.

SISCOE

Editor, Gold & Dross:

What do you think of Siscoe? I would appreciate
any information you have regarding ore reserves, cur-
rent developments, prospects, etc. I appreciate your
column and service.

—C. M., Peterborough, Ont.

I do not think you would be making any mistake
in buying Siscoe Gold Mines shares for a hold. This
company had a successful year in 1937 when produc-
tion, earnings and tonnage of ore milled established
new records, and despite heavy capital expenditures
working capital was increased to the highest point in
its history, while operating costs were the lowest.
A new peak was also reached in ore reserves, although
there was a decline in the grade through the greater
development of moderate grade ore bodies.

To date Siscoe property has only been developed
to a relatively shallow depth, and the whole acreage
by no means explored. The present bottom level is
the 14th at a depth of 1,850 feet, but the bulk of pro-
duction so far has come from above the 10th level. In
fact over 60 per cent. of the ore milled in 1937 was
from the first six levels, or above the 850-foot horizon.
Extensive exploration is proceeding east, west and
north of the main workings and this continues to
open up new possibilities. The management is also
hopeful of finding further high-grade ore which will
increase the grade. The main shaft is now being
deepened to 2,500 feet and the intention is to open
four and perhaps five new levels. Geological condi-
tions at depth appear to be unchanged and so it is
anticipated similar ore conditions will be encountered
as greater depth is reached.

The mill is currently treating about 590 tons of
ore daily, with production exceeding \$200,000
monthly. No further increase in milling capacity is
presently contemplated, and it is expected mill heads
will be maintained at about the average of the ore
reserves. Costs this year have been further reduced

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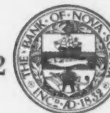
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 NOTICE is hereby given that a DIVIDEND OF TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST DAY OF JUNE next, to Shareholders of record at close of business on 30th April, 1938.

By Order of the Board.
JACKSON DODDS G. W. SPINNEY
 General Manager General Manager
 Montreal, 19th April, 1938.

Imperial Bank of Canada

DIVIDEND NO. 191

Notice is hereby given that a Dividend of two and one-half per cent (2 1/2%) has been declared for the quarter ending the 30th April, 1938, payable at the Head Office and Branches on and after Monday, the 2nd day of May next, to shareholders of record of 31st March, 1938.

By order of the Board.
H. T. JAFFRAY,
 General Manager.
 Toronto, 16th March, 1938.

Loblaws Groceries Co., Limited

NOTICE is hereby given that a quarterly dividend of 25 cents per share and a bonus of 12 1/2 cents per share on the Class "A" shares, and a quarterly dividend of 25 cents per share and a bonus of 12 1/2 cents per share on the Class "B" shares of the Company have been declared for the quarter ending May 31st, 1938, payable on the 1st day of June, 1938, to shareholders of record at the close of business on the 10th day of May, 1938. Payment will be made in Canadian funds.

JUSTIN M. CORK,
 Secretary.
 Toronto, April 22nd, 1938.

GOLD & DIAMONDS

being equal to \$4.50 per ton milled in the first two months as compared with \$4.75 per ton in 1937. Consideration is being given to the question of hydro power but it is pointed out that any saving effected would take more than four years to be reflected if it were necessary to change its motors and other equipment. At present the company generates its power by means of Diesel engines.

Net profits in 1937, after all charges were \$1,186,551 or 25.57 cents a share, against \$1,030,099 or 22.16 cents in the previous year. The present dividend rate is 5 cents a quarter and 22 cents was distributed last year. Working capital at the end of the year was \$1,137,289. Capital expenditure totalled \$298,489 in 1937. Ore reserves at the end of December were calculated at 526,448 tons, having an average value of \$11.23 per ton, as compared with 451,827 tons of \$13.28 grade at the end of 1936.

POTPOURRI

H. G. B., Toronto, Ont. I think that the statement in the annual report of **INTERNATIONAL HYDRO-ELECTRIC SYSTEM** that cash is sufficient to meet current expenses and interest payments on the debentures throughout the present year is reassuring. If success attends the present efforts to refinance the debentures of Gatineau Power, it is quite possible that the System will be in receipt of dividends next year on Gatineau Holdings. As a result of the elimination of Canadian Hydro-Electric, controlled by the System, it holds about 1,400,000 common shares of Gatineau. The net income of International Hydro-Electric for 1937 amounted to \$615,615 as against interest requirements on its debentures of \$1,594,080. A dividend of 70c on Gatineau, therefore, would give the System sufficient income to cover interest requirements. The earnings of Gatineau for the first quarter of 1938 were at the annual rate of 85c per share on its common.

R. C. T., Saskatoon, Sask. While no official information is available as to the results of operations of **CANADIAN VICKERS, LTD.** for the year ended February 28 last, substantial improvement in profits is expected to be shown when the report appears in the near future. For the year ended Feb. 28, 1937, total income had been reduced from \$223,725 to \$142,287 and after all charges, loss had been increased from \$147,143 to \$198,358. A substantial carry-over of unfilled orders, however, remained on the books, and in the 1937-38 year this total was raised considerably by the receipt of new business, in which aeroplane orders played a large part.

H. J., Walkerville, Ont. **BIDLAMAQUE GOLD MINES** has been inactive for some time but it was stated at the recent annual meeting that new financing arrangements have been made and when the treasury receives further payments additional diamond drilling is planned. It is expected this work will get underway next month. While some encouragement was secured in previous drilling the values obtained were not commercial. A number of interesting sections, especially to the northeast and southwest, remain to be explored. It is reported that four or five veins showing on surface and carrying fair values have not as yet been drilled. **MOSHER LONG LAC GOLD MINES** has also been inactive for some time but has been closely watching developments on the adjoining MacLeod-Cockshutt and Elmos Gold Mines. Directors have authorized a program of diamond drilling, in two sections of the property not previously explored, which will involve approximately 5,000 feet of drilling. The company has been conserving its assets which totalled \$150,000 in cash and securities last November. I have no record of any activity on the part of **VEGA GOLD MINES** for some considerable time. The head office of this company is at 801 Canada Bldg., Windsor, and the president is LeRoy Rodd, if you care to communicate direct.

W. J. C., Moncton, N.B. Results of **DOMINION TAR & CHEMICAL CO.** business in the first quarter were inconclusive in determining a trend for the current year but the president told shareholders at the annual meeting that he anticipated somewhat smaller volume of business in 1938 than was secured in 1937. This will depend, however, upon general conditions in the last half of the year and the extent to which railway traffic and railway purchases are made. A satisfactory crop in Western Canada would exert an important influence upon the company's business.

O. G., Fort Erie, Ont. **ADANAC GOLD MINES** was succeeded in 1936 by **ADANAC-QUEBEC MINES** on a basis of one new share for each two old. The property has been inactive for over a year due to lack of finances. I understand negotiations are underway to raise the necessary finances to resume development of the property in Rouyn township, Quebec. A shaft has been put down to a depth of 500 feet and lateral work has been carried out on three levels. Ore has been opened up on the 125- and 250-foot levels and it is reported on the 500-foot horizon a large mineralized zone giving medium gold values has been encountered.

F. H. L., Toronto, Ont. Yes, **PIERCE ARROW MOTOR CORPORATION** has been declared insolvent by the United States Courts. Whether or not the company will continue to make motor cars at some future date it is impossible to say at this time. My own opinion is that it is extremely unlikely because of the heavy capital commitments necessary to produce a high priced unit such as the Pierce Arrow. E. C. Ewald, a trustee and secretary-treasurer, estimated that total assets of the company had a book value of \$2,768,822 and a realizable value of \$1,197,771. Against this were total liabilities of \$1,892,745. I do not think any steps will be taken to resume operations in the near future in view of the gloomy outlook in the automobile market.

E. C., Toronto, Ont. **ALGOLD MINES**, which is located in the Michipicoten district of Ontario, has a 100-ton mill in operation and I understand the ore reserves are sufficient to keep it supplied for four years. Milling commenced in June 1936 and development has been continued. The grade of ore has not been high although there has been some improvement in this regard recently. It is anticipated profits will be increased with the raising of the grade of ore and while it still remains to be seen just what the company can earn, the shares would appear to be a fair speculation. Development of what is known as the mid-west ore body is being vigorously pushed and it is reported that earlier indications of its importance, from an ore tonnage standpoint, are being confirmed. From 60,000 to 70,000 tons of indicated ore is estimated in this body, in addition to the 125,000 tons previously estimated for the west ore body. It is considered possible that this body may be extended sufficiently by further lateral work to connect up the main ore body with the ore previously opened in the main shaft area. If development links up the mid-west body to the east and west, a continuous ore length of a thousand feet will result. A grade of about \$8.50 per ton is indicated in the mid-west body and widths are up to 12 feet.

S. R., Pembroke, Ont. I think that **DUNLOP TIRE** preferred is a not unattractive speculation. The company's 1937 net profit was \$35,456, compared with a deficit of \$108,556 in 1936. Current assets advanced to \$2,078,805 from \$1,917,047. Bank loans, among the current liabilities, have been cut to \$235,000 from \$310,000, but accounts payable are somewhat larger at \$302,224, against \$155,548. Total current liabilities at the end of December, 1937, were \$575,094, com-

pared with \$476,247 at the end of the preceding year. Under the reorganization recently approved by stockholders, the old 7% preferred of \$100 par was exchanged for four shares of 5% preferred of \$25 par, and an additional \$45.50 of the new preferred was issued as compensation for dividend arrears of an equal amount on the old preferred—making a total outstanding of \$32,947 shares of the new preferred. Preferred earnings in 1937 were \$1.07 per share against a cumulative dividend rate of \$1.25 a share.

A. C., Saint John, N.B. The new orebody at the Monarch Mine of **BASE METALS MINING CORPORATION** has not yet had sufficient development to give accurate dimensions but where crosscut it is stated to have a minimum width of 50 feet, and thickness varying from 21 to 40 feet. The orebody has been opened for an approximate length of 430 feet. The indicated grade before dilution is 12 per cent lead, 16.5 per cent zinc and 1.75 oz. silver per ton. The shares would appear to be an interesting speculation, but the company does not plan to reopen the mill until lead and zinc prices are considerably higher than they are at the present time. The equipment has been overhauled and milling could be resumed on short notice. Development will, however, be pushed in the meantime.

C. C. H., Halifax, N.S. Sales of **CHARLES GURD & CO.** in the current year have been ahead of the corresponding period last year. I am informed. The report for the year ended March 31 last will be released shortly. In the previous fiscal period (covering the 15 months ended March 31, 1937) net of 52c a share had been shown on the common, equivalent to 42c on a 12-month basis. On Dec. 15, 1937, the company paid a dividend of 30c a share as against 20c paid at this time one year before.

C.F.C., Glace Bay, N.S. The possibilities of **GOD'S LAKE GOLD MINES** marketwise are entirely dependent on development results and whether the share will ever sell at \$3 is difficult to predict. However, I might say the picture mine-wise is much improved. For some time development work on the lower horizons did not open up much ore but more recent results on the fourth level have been quite encouraging, and at the close of 1937 the grade was better, operating costs were lower, ore reserves higher and the outlook appeared to be for greater production in 1938. At the annual meeting of shareholders in March, the mine manager stated that he was more than satisfied with the recent results, which had transformed the mine picture generally. As a rule I do not favor averaging down, preferring diversification, but from the above comments you perhaps can better decide for yourself with regards to buying more stock.

G. C. N., Hamilton, Ont. Of course I can't tell you whether **ASBESTOS CORPORATION** will maintain its regular \$2 dividend rate or not. Obviously conditions are unpredictable to a large extent. However, it was recently stated officially that the company's business has continued to run ahead of last year. So far exports to other countries have more than offset reduced shipments to the United States. For the first two months of 1938 total Canadian exports of asbestos were \$980,000 against \$971,000 in 1937, but in February alone their value was down from \$535,000 a year ago to \$423,000. Asbestos Corporation's results may, however, be relatively better than those of the industry as a whole due to a possibly larger percentage of shipments going overseas.

M. H., Hamilton, Ont. All operations at **DARK-WATER MINES** were suspended last fall. The opinion was then expressed that there was sufficient ore to warrant installation of a mill but as the season was so far advanced and with a shortage of finances, it was deemed advisable to discontinue operations until the spring, when it was hoped financial and market conditions would have improved to such an extent that the directors would be enabled to resume consideration of ways and means of financing the company. However, no announcement has yet been made of any success towards this end. M. C. H. Little, mining engineer, who examined the property prior to its closing down is "strongly of the opinion that there is a gross value of not less than \$250,000 in mineable ore above the 250-foot level."

C. R. H., Moose Jaw, Sask. The dividends per share of common stock paid by **SAGUENAY POWER CO., LIMITED**, in 1937 were \$7.25 as against \$3 in 1936. The common stock of the company, which was formerly known as Duke-Price Power Co., Ltd., 53.4% is owned by Aluminium Co. of Canada, Ltd., 20% by Shawinigan Water and Power, and the balance (26.6%) by private interests.

M. S., Halifax, N.S. I do not always consider it the wisest policy to average down holdings in any one mining stock but would rather prefer to diversify my holdings. **MARTIN-BIRD SYNDICATE** units will, as you state, eventually be transferable on a basis of approximately 75 shares per unit. It is not reasonable to expect this exchange until the property has been fully financed to the production stage. If your intention is to purchase the units, put them away, forget them and speculate that the property will become a successful producer, all right; but if you are holding the stock there is generally a more ready market in case you wanted to realize on your holdings. The ore picture at the property has not yet been fully determined but it was reported earlier in the year that a statement in this regard was being prepared. Late last year the company was understood to have sufficient money on hand to complete the development program.

W. C. T., Brockville, Ont. Continued improvement in net profits of **LOBLAW GROCETERIAS CO. LIMITED** in the current year to date would suggest the payment of another bonus on the outstanding "A" and "B" shares with the regular quarterly distribution of 25 cents a share June 1. In the first 40 weeks of the company's fiscal year to March 5, 1938, sales increased by \$2,268,554 to \$16,637,819, and net profits by \$32,462 to \$755,680 over the similar period of the year preceding. On June 1, 1937, the company paid a bonus of 12 1/2 cents a share and another bonus of a similar amount, December 1, 1937.

G. H., Billings Bridge, Ont. **ALGONQUIN MINES** disposed of its property to Consolidated Ontario Gold Mines, with shareholders in the former company receiving one new for 10 old shares, and I understand little work has been carried out by the latter company. J. G. Merriek is the secretary of Algonquin and the head office is 604 Central Bldg., Toronto.

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- (2) Subscribers are entitled to information or advice on one company or one security every month. For information or advice on each additional company or security please remit in advance 50c for each such additional inquiry.
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HUDSON'S BAY COMPANY

THE 26th annual report of the Hudson's Bay Company, issued in London, had welcome news for shareholders. For the first time since July, 1930, a dividend was announced on ordinary shares. The dividend, payable May 16, is 4 per cent, representing 3 per cent. from general trade and 1 per cent. from land on which income tax is not chargeable, which is equivalent to a gross distribution of 4 1/4 per cent. The net trading profit for the year ended January 31, 1938, was \$546,000 which compares with a net profit for the previous year of \$1,133,000, the lower profit being due to sharp decline in raw fur prices. Profits for both years are arrived at after charging \$750,000 for depreciation. The surplus on land accounts amounts to \$67,000 compared with \$116,000 for the previous year.

After a long period of uninterrupted dividends, substantial losses were incurred in 1931/32. In 1936 and 1937, profits were accumulated to pay off arrears of preference dividends and \$3,000,000 preference share capital was repaid in 1936 from reserves. 1937 preference share dividends, after ad-

justing for taxation, absorbed \$284,000. After providing for the ordinary dividend an amount of \$461,000 on profit and loss account and \$110,000 on land account will be carried forward.

The balance sheet discloses a strong position with total assets amounting to \$56,505,000, with general reserves of \$8,574,000 and an excess of current assets over liabilities of \$9,377,000. There are no bonds or debentures. In their report the Governor and Committee refer to the continuance of drought conditions in the West but state that in spite of these conditions the stores and wholesale departments showed improved results. Against this the collections of the land department were seriously reduced by the crop failure in Saskatchewan.

Nevertheless sales of land amounted to 47,663 acres, a slight increase over the previous year. The report shows the company still owns 1,875,000 acres out of the original land grant of 7,000,000 acres made against surrender of sovereign rights in 1869 and that there are installments due on land sold of \$8,089,000. No value is placed on these in the balance sheet.



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Concerning Insurance SECURITY VIA ANNUITY

Purchase of Annuities Solves Problem of Making
Sure of a Definite Income in Old Age

BY GEORGE GILBERT

MANY business and professional men and women have no doubt as to their ability to make and accumulate enough money to retire on. Their confidence is often well justified, too, and their only problem is what is best to do with the money they accumulate so as to make certain of a definite income on retirement. In increasing numbers they are finding in the purchase of one form or another of annuity contract the solution they seek.

What is an annuity contract? In simple terms, a life annuity is a promise to pay an income at periodic intervals as long as the annuitant shall live. There are no qualifications. The income is fixed by contract in consideration of the payment of the purchase price, and the income is as secure as the institution issuing the contract, whether it be a government or an insurance company.

Granted that the institution issuing the contract is safe, it is apparent that the annuity solves the retirement income problem. The annuitant's principal is safe, and his retirement is assured by the guarantee of an income for the rest of his life. In addition, the life of the annuitant will be prolonged, and he will thus have more time in which to enjoy the benefit of the money he has accumulated. Medical science has demonstrated that worry and hardship contribute to more deaths than all forms of disease combined. If a person is well provided for, and has no fear of a cessation or curtailment of income, he or she is much more likely to enjoy a long life. The annuity records of insurance companies show that many persons past eighty, and even ninety, continue to receive their annuity income. Mortality statistics show that the death rate of annuitants is not as high as that of other persons of equal age.

IN CANADA, the insurance companies operating under Dominion registry which issue annuities are carefully regulated by law, and are required to maintain legal reserves on all annuity contracts sufficient to guarantee their fulfillment in the future without deduction or abatement, just the same as they are required to maintain legal reserves on all life insurance contracts for the same purpose. They are required to place their funds in only the safest classes of investments. They maintain skilled investment departments for the purpose of securing selection and diversification of investments throughout the entire country.

Annuities are based on the same scientific principles as life insurance—mortality tables and interest tables, carefully prepared. Annuities are safe, because of government regulation and the maintenance of skilled investment departments, and because they have stood the test of time. Yet to a large extent annuities have not as yet competed successfully with other investments for the retirement funds of the average Canadian.

It is different in some of the older countries. In England, for instance, the people are annuity minded and think in terms of income. It is the rule rather than the exception over there for a man to provide for his retirement or for his heirs with a life income. One reason is that the English people have been educated to think in terms of income rather than in terms of principal and speculative profit. More thought is given to the provision of a life income rather than to the maintenance of a fund the interest or yield on which will provide the income—if it is paid.

CANADA is a comparatively young country, and the producer usually tries to create an estate rather than an income. He has not been taught that the estate should be considered in terms of income. Thus a man with an earned income of \$15,000 a year spends \$10,000 or \$12,000 on the maintenance of himself and his family. With the other \$3,000 or \$5,000 he creates a small cash reserve, buys bonds or stocks, some real estate, and pays the premium on his life insurance.

What is the situation when he reaches the age of retirement? He finds himself with perhaps \$75,000 or \$100,000 worth of bonds, stocks, real estate and cash. He does not feel like sacrificing any of the principal, because he needs the \$3,000 or \$5,000 income it produces. If the income on his investment fails, he is confronted with the problem of choosing between present want and possible future poverty. A bond or two may go into default, some of his stocks may suffer a reduction in dividends or may pay none at all, his real estate may not pay a return commensurate with its value a few years back, and his cash in the bank may yield hardly any return at all.

Such a man may well be at a loss as to where he can place his accumulated principal so as to be sure of getting a fair return for the future. Suppose he were to take his \$75,000 or \$100,000, or whatever sum his principal would amount to at current values, and place it with an insurance company in exchange for an annuity contract of one kind or another, would he be secure? He would have the promise of the insurance company to pay him about nine or ten per cent. each year on the amount of the principal for the rest of his life; and under certain forms of refund contracts, in the event of the annuitant's early death, to pay to his heirs the difference between what has already been paid and the amount of the principal.

If the annuity is purchased from a company regularly licensed in Canada and operating under Dominion registry, the annuitant can rest assured that he will receive the payments called for by the contract, however far into the future the contract may extend. As already pointed out, the insurance must maintain sufficient reserves in approved securities at current market values to carry out all obligations assumed under its annuity contracts. The annual inspection of the company's affairs by the Dominion Insurance Department ensures that these reserves are in fact being maintained in accordance with the requirements of the law.

No other financial institutions are subject to the same close government supervision and regulation as the insurance companies. This is held to be justified in view of the long-term nature of many of the obligations they assume under their contracts with the public. That all Dominion registered companies have met their obligations in full, is shown by the fact that not one of their policyholders or annuitants has so far failed to receive every dollar guaranteed under his policy or annuity contract.

Having maintained this record in the past in the face of depressions, wars, epidemics, moratoria, defaults on bonds etc., they are well fortified to furnish the same security to their policyholders and annuitants in the future. As they operate on a sound actuarial basis, as well as a sound financial basis in respect to spread of investment risks, they afford a degree of safety unsurpassed, if not unequalled, by any other type of financial institution in existence.

LUMBERMENS MUTUAL REPORTS RECORD YEAR

LUMBERMENS Mutual Casualty Co. reports for the year 1937 the largest premium income, largest underwriting profit and largest distribution of dividends to policyholders in its 25-year history.

Premium income at \$26,566,765 showed a gain of \$4,347,151 over 1936. Underwriting earnings were \$4,644,290, a gain of \$275,590. Dividends refunded to policyholders amounted to \$4,028,098, which was \$639,427 more than in 1936. The cash surplus of \$4,102,229 in 1937 represented an increase in the year of \$507,463, after providing special reserve sufficient to adjust values of stock holdings to the 1932 lows.

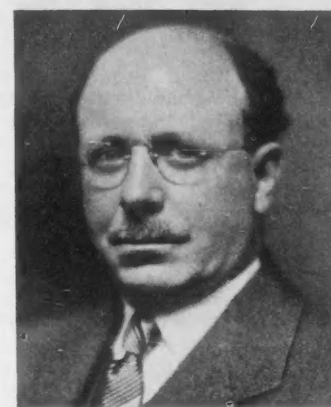
Total assets stand at \$30,244,092, a gain of \$3,613,888 over 1936. Cash is shown at \$14,399,879. Investments, mainly bonds and mortgages, are carried at \$11,382,617, which was \$102,371 below market values. Other assets are premiums in transmission, real estate, and accrued interest. Holdings of Canadian securities consist of Dominion Government 2½% bonds, due 1945, Nova Scotia 4½% bonds due 1948, and Ontario Government 5% bonds due in 1942. Loss ratio for 1937 was 47.8% compared with 45.8% in 1936 and 48.9% in 1935.

James C. Scofield, president and general manager of the Windsor Lumber Co., Windsor, Ont., has been added to the advisory board. Vance C. Smith, at Toronto office, is Canadian manager.

CRIMINAL PROSECUTIONS BY THE FIRE MARSHAL'S OFFICE

ACCORDING to the Quarterly Bulletin of the Ontario Fire Marshal, ten convictions and two acquittals for the 12 criminal cases brought to trial in the first quarter of 1938, continue the high conviction ratio of the Fire Marshal's Office. Three cases were pending at the end of the quarter, in two of these there having been commitments for trial at higher courts, which is the same number of pending cases as at the beginning of the year. In addition, two convictions for conspiracy to defraud which were obtained in 1937 were appealed to the Ontario Court of Appeal in 1938, where the convictions were sustained and the appeals dismissed. One of the men convicted applied in March for leave to appeal to the Supreme Court of Canada, where, after lengthy argument, the leave was refused, thus finally disposing of this criminal case in which the amount of insurance involved was \$78,400.

One of the pending cases is a charge of manslaughter at Kenora, which is the first time for many years in Ontario that a manslaughter charge has been laid in connection with a fire. Another most unique case, believed to be the first one of its kind in Ontario in connection with a fire, was heard at Penetang on March 31 in the Magistrate's Court, where a woman was convicted of the common law offence of inciting to commit a felony. The facts in this case were most unusual, being—On January 28, 1938, the accused woman had an anonymous letter delivered to a man in Penetang, inciting him to set fire to a certain building. This letter was turned over to the local Chief of Police. Then, on March 17, 1938 the building mentioned in the letter did burn, and an intensive investigation was made into both the



V. R. SMITH, General Manager, Confederation Life Association, who has been elected President of The Canadian Club of Toronto. He is also President of The American Institute of Actuaries, and immediate Past President of The Canadian Life Insurance Officers Association.

fire and the letter. An inspector from the Fire Marshal's Office traced the typewriter used in typing the letter and established the identity of the letter-writer who denied any knowledge of the fire. As there is no statutory provision contained in the Criminal Code making it an offence to incite a person to commit arson, it was necessary to utilize Section 10 of the Criminal Code which makes the common law applicable. On appearing before the magistrate, the woman pleaded guilty and on her conviction was fined the sum of \$50 and costs and bound over to keep the peace for two years.

The exact wording of the information laid in this criminal case, deleting the names of individuals, was as follows: "That Jane Doe during January 1938 at Penetang incited did unlawfully incite Richard Rowe to commit the crime of arson by wilfully, without legal justification or excuse and without color of right, setting fire to a certain building and contents, to wit . . ."

INSURANCE COMPANIES IN AUSTRIA

ONE effect of the German coup in Austria is the application of the rigid German system of exchange control to that country to prevent flight of capital abroad. According to a statement issued by the Association of Insurance Companies in Austria, insurance payments are not affected by the new restrictions which, it is stated, are only of a temporary character. It will still be possible, it is announced, to meet all legitimate demands for payment of premiums or claims, and the only restriction is on payment of surrender values on life policies, for which a maximum amount has been fixed, but as this maximum amount is so high there will be no difficulty in meeting all demands for surrender values.

MOTOR INSURANCE IN GERMANY

SOME information recently published by a German newspaper illustrates the difference between carrying on insurance business in a totalitarian country and in most of the so-called democracies. This paper estimates that the total loss on motor insurance in Germany in 1936 was between thirteen and fourteen million reichmarks, and that while there was some improvement in 1937 there was still a loss of between six and seven million reichmarks.

It is pointed out, however, that the estimated claims ratio has fallen to 65 per cent, the level assumed in the old tariff, which allowed 65 per cent for claims, 30 per cent for operating costs, and 5 per cent for profit. The difficulty was that operating costs were not kept down to the stipulated level or near it. Under the new tariff now in effect, it is expected that there will be a reduction in premium income of about thirteen million reichmarks, which the companies will have to save on their expenses, or operating costs as they are termed, chiefly by elimination of non-professional agents and by a substantial reduction in the commissions of professional agents.

SEWING MACHINES WITH LIFE INSURANCE IN ITALY

IN ITALY the Italian State Life Insurance Office has issued a new life insurance policy the special attraction of which is that the policyholder on payment of the first premium receives a sewing machine which has to be paid for in 24 monthly installments. The policy is a 20-year endowment contract for not less than ten thousand lire (\$525). A medical examination is not required, but if issued without a medical examination there is a suspense period before the policy becomes effective for the full amount.

INSURANCE INQUIRIES

Editor, Concerning Insurance:
I would appreciate if you would advise me as to the names of insurance companies registered under Lloyd's of London and doing business in the Province of Ontario.

It has been my intention to change my automobile insurance, as I understand that the rates charged by the companies registered under Lloyd's are cheaper.

I would also appreciate if you would advise me if there has been any trouble collecting claims from any company or companies doing business in Ontario, who are registered under Lloyd's of London.

Do you think it would be advisable to change my automobile in-

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FIRE, WINDSTORM, AUTO, CASUALTY

insurance from a registered Company in Ontario to a company registered under Lloyd's of London?

—K. M. J., Toronto, Ont.

What are known as Lloyd's policies are not the policies of an insurance company, but are policies issued by a group of individual insurers who are underwriting members of Lloyd's, London, Eng. The non-marine underwriters at Lloyd's are regularly licensed in Ontario for the transaction of all classes of insurance except life insurance, and have a deposit with the Ontario Government of \$50,000 for the protection of Ontario policyholders.

Thus when you insure with Lloyd's underwriters, you are not insuring with a company but with a group of individual underwriters, each of whom is liable for the amount set opposite his name in the policy and no more, the liability being several and not joint. The names of the Lloyd's underwriters licensed in Ontario have not been published, but are on file in the Ontario Insurance Department, Parliament Bldgs., Toronto, where they may be seen by any interested party, I understand.

Undisputed claims under Lloyd's policies in Canada have been promptly paid, so far as I know. In case of

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CONSOLIDATED FIRE & CASUALTY INSURANCE CO. Established 1911	Assets \$ 792,379.12
MERCHANTS FIRE ASSURANCE CORP. OF NEW YORK Established 1910	Assets \$18,041,798.00
PACIFIC FIRE INSURANCE COMPANY Established 1851	Assets \$ 8,342,731.02
BANKERS & SHIPPERS INSURANCE COMPANY OF N.Y. Established 1873	Assets \$ 7,378,390.12
NEW JERSEY INSURANCE COMPANY Established 1910	Assets \$ 4,458,561.58
MILLERS NATIONAL INSURANCE COMPANY Established 1865	Assets \$ 6,224,813.96
LUMBERMEN'S INSURANCE COMPANY Established 1873	Assets \$ 5,293,806.37
STANSTEAD & SHERBROOKE FIRE INSURANCE CO. Established 1835	Assets \$ 1,163,869.98
AMERICAN AUTOMOBILE INSURANCE COMPANY Established 1911	Assets \$18,868,087.42

TORONTO REPRESENTATIVES

GORE DISTRICT FIRE INSURANCE COMPANY Established 1839	Assets \$ 2,338,791.23
ECONOMICAL FIRE INSURANCE COMPANY Established 1873	Assets \$ 2,290,582.46
PERTH FIRE INSURANCE COMPANY Established 1863	Assets \$ 1,619,445.81
PROVINCIAL INSURANCE COMPANY LIMITED Established 1903	Assets \$10,050,194.75
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a disputed claim, suit must be brought against the several underwriters whose names are on the policy for the amounts for which they are severally liable, unless an agreement is arrived at between the lawyer acting for the claimant that they will be bound by the result of the action against the first underwriter on the policy. This is the procedure usually followed in England, I believe.

Whether a judgment obtained in Canada could be collected in Canada, or whether it would have to be collected in England, would no doubt depend upon the circumstances of the case or the amount involved. Where there is no dispute, the claim is paid as soon as the adjusters employed by the local representatives of Lloyd's underwriters complete the adjustment, as a rule. Payment is usually made by the cheques of these local representatives who in turn are reimbursed by the underwriters they represent.

Editor, Concerning Insurance:

The North American Accident Insurance Co. of Chicago is advertising over radio a Sickness and Accident Policy for \$10.00.

Is the above company responsible?
—C. R. J., Bridgewater, N.S.

As the North American Accident Insurance Company of Chicago is not licensed in Canada and has no deposit with the Government here for the protection of Canadian policyholders, I would advise against insuring with it.

If you were living in the United States, where it is licensed, the company would be safe to insure with, as it is in a strong financial position and as payment of any valid claim could be enforced in the U.S. courts if necessary. But as it is not licensed in Canada payment of a claim could not be enforced in the local courts; the claimant would have to take action in the United States, which would place him at a considerable disadvantage.

Experience over a lengthy period shows that it pays to insure only with companies that are regularly licensed in this country and which have deposits with the Government here for the protection of Canadian policyholders.

Editor, Concerning Insurance:

Can you tell me what difference it makes so far as dividends to policyholders are concerned whether an insurance company maintains its reserves on a 3 per cent or a 3 1/2 per cent basis? Which company is likely to pay the higher dividends?

—L. M. B., Hamilton, Ont.

Whether a company pays higher dividends than another company does not depend principally upon whether it maintains reserves on a 3 or 3 1/2 per cent basis, but upon the all-round competence of the management in handling the various departments of the business.

Assuming that two companies are equally well managed, charge the same rates, experience the same mortality and earn the same average rate of interest on their investments, the company reserving on a 3 1/2 per cent

interest basis will pay higher dividends in the early policy years than the company reserving on a 3 per cent interest basis, although the cash values will be lower.

In the later policy years, the dividends of the 3 per cent company will be higher than those of the 3 1/2 per cent company, and the cash values will also be higher. The reason is that the 3 per cent company must set aside more money in reserves in the early years of the policy than the 3 1/2 per cent company, and therefore has less money available for dividends. With the passage of time, the situation changes, and the higher reserves of the 3 per cent company produce a larger interest income than the reserves of the 3 1/2 per cent company, and enable it to pay higher dividends to policyholders.

Editor, Concerning Insurance:

I am carrying insurance of \$37,500 on my property, split among five different companies. Would I be amply protected if I placed it all with one company like the Economical Mutual Fire Insurance Company, with head office at Kitchener, Ont., in order to effect a saving in the cost?

F. D. A., Arnprior, Ont.

If the coverage offered by the Economical Mutual Fire Insurance Company is as broad as that afforded under your present policies, there is no reason in my opinion why you should not take advantage of any saving in cost which may be effected by placing the entire line with that company.

Its financial strength affords ample protection. The company is regularly licensed and has a deposit with the Government at Ottawa of \$442,310 for the protection of Canadian policyholders exclusively. Its loss paying record is a good one, and all claims are readily collectable.

At the end of 1937 its total assets were \$2,594,862.75, while its total liabilities amounted to \$562,230.50, showing a net surplus of \$2,032,632.25 over unearned premium reserve, investment reserve and all liabilities. It is an old-established company, having been in existence since 1871, and its record shows steady growth in business and financial strength.

NO ADMISSION OF ERROR

(Continued from Page 17)

WHETHER the speech has set Mr. Roosevelt up or down in the collective opinion of his countrymen is a moot point. As mentioned above, the Forgotten Man has been remembered again and is once more solidly behind the President. But the financial and business men are more against him than ever. On precedent (conservative opinion was solidly against him in 1936) this disapprobation of the Right is nothing that Mr. Roosevelt need worry about, politically. The average reader of SATURDAY NIGHT, were he to visit the United States and ask questions, would probably return to Canada convinced that the re-election of Mr. Roosevelt is an impossibility. It is an improbability but only because there is practically no chance of his running for office again. Were he to do so, today at least, he would almost certainly be re-elected.

But, the third term being practically out, the awful fears of the conservatives, the fears of a Roosevelt dictatorship, seem to be groundless. James is a bit young yet. So it seems rather pointless to enlarge on the attitudes of the various fractions of the people to the Roosevelt. Nevertheless, personalities are what people like to discuss and so the great argument goes on, not so much about the pros and cons of the Democratic Party as about the pros and cons of Mr. Roosevelt. Little interest, as yet, has been stirred up over the choice of a successor as Democratic nominee.

AND this is a deplorable thing about Democracy as it is operating in the United States, this obsession with the Man, rather than with the Problem. And it is, unfortunately, most prevalent among the "better people." Still more unfortunately, the obsession of the better people, with the President, seems to take the forms of scorn and laughter rather than the hatred which is said to be felt in many quarters. I do not mean to imply that the President deserves to be hated—I do not think he does—but I do imply that it is better to hate your leader than to laugh at him.

I recently attended a luncheon of the Chamber of Commerce in the American city in which I live. The programs of such affairs usually comprise a mixture of self-help, education and entertainment. At this particular luncheon the entertainment consisted of impersonations by a student from the local university. He chose as his subjects W. C. Fields, Fred Allen, Jack Benny and Franklin D. Roosevelt. I do not know why Charlie McCarthy was overlooked. The youngster was pretty good and he got a big hand. Particularly with his final impersonation, Mr. Roosevelt. There was the famous "Hawvard" accent, the "My Friends," and the wagging of the head so familiar to viewers of the news reels. The lines used were distinctly those which Stuart Chase would describe as "blah, blah, blah."

I do not think that it occurred to anyone there, save myself, that the impersonation was iniquitous. Iniquitous because you can respect and admire your leader, which means that you support him, or you can detest him, which means that you discard him (at least if democracy means anything it should mean that) but you cannot laugh at him. If you do so you are laughing at yourself, and you might as well be an inmate of an insane asylum. The actions of your responsible leader, chosen by a majority of the citizens, cannot be a subject of amusement to you unless you are mentally deficient. Then too, even if it were permissible under any circumstances to laugh at your leader, it is hardly fitting for a body of grown men, the

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leaders of their city, to applaud while a university student does the laughing.

THE attitude of mind exemplified in this incident is important not because it discredits Mr. Roosevelt but because it discredits the American people. Other exemplifications are the Gridiron Club absurdities, "I'd Rather Be Right," and the constant interchange of scurrilous dog-jokes, about the President, among people of education, people who ought to know better.

The willingness to laugh at problems may be a likeable American characteristic but it is an exceedingly dangerous one. It is not the spirit from which great reforms come, from which great sacrifices are made. And while perhaps reforms have been

overdone a bit in the United States it seems likely that great sacrifices will sooner or later have to be made by the people. Congressmen, at present absorbed primarily in the matter of getting concessions for their own bailiwicks, should be sacrificing their constituents—and incidentally themselves—for the good of the nation. Does the laughing spirit engender such sacrifices? And the people, instead of blaming it all, with a sneer or a laugh, on Mr. Roosevelt, might well commence to blame themselves. Can you do that and laugh?

Financial Editor, Saturday Night:

I have always found your advice very helpful and I greatly appreciate the service to investors rendered by Saturday Night.

—J. A. G., St. Catharines, Ont.

London Life Men Make Sales Record

DURING the past three months the public purchased from our representatives Ordinary Life Insurance, exclusive of Industrial and Group, at the rate of a million dollars a week. This is an increase of 27% over the corresponding period last year.

This large volume of new business is a tribute to our sales organization and is very gratifying to the Company from that standpoint.

In the past five years we have accepted as representatives only men who possessed the qualities which extensive research has proven are necessary for success in this business. In the Ordinary Branch this has meant a much smaller but more highly trained sales force and has resulted in greatly increased average production. (The present numerical strength is only 57% of that at the beginning of this development period.) Industrial representatives on the average have doubled their Ordinary insurance sales in this period.

Our salesmen in rendering greater service to the public have been rewarded with a full measure of their confidence, and policyholders have insurance in a company known throughout Canada for its financial strength and low net cost.

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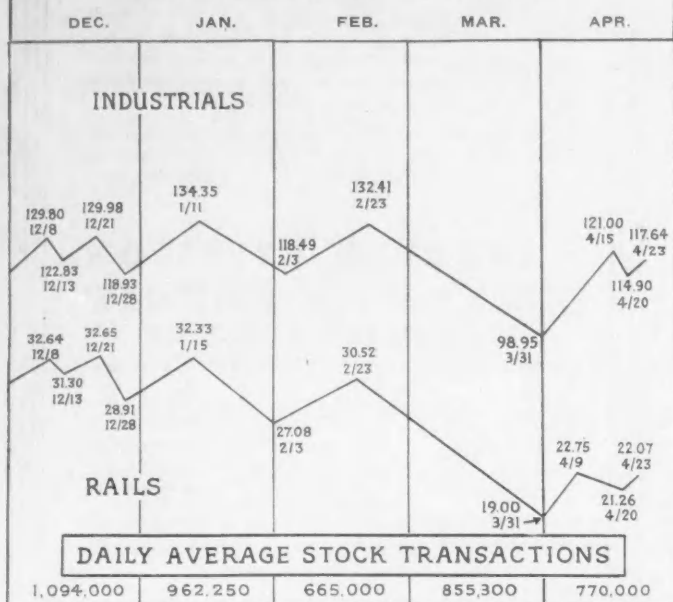
BUSINESS AND MARKET FORECAST

(Continued from Page 17)

News factors contributing to the present rally have been progress with respect to changes in the undistributed earnings and capital gains tax; a new program of spending and easier credit proposed by the Administration; improvement in the European situation based upon the Anglo-Italian accord and continuing negotiations by Great Britain toward peace. This week reports have been circulated that Mr. Roosevelt is putting forth new efforts at a cooperative alignment between government and business, but evidence to such effect has not yet accumulated to any positive degree.

Movement of both the railroad and industrial averages decisively above their recent rally peaks, as would be indicated by closes at 23.76 and 122.01, respectively, would promise some continuation of the current uptrend, with the 128/130 level on the industrial average a probability. Pending such a development, the question might well be asked, in view of the extent of the current advance, as to whether some downside testing is not now in order. In any event, we do not believe that strength, at this point, should be followed up by purchases.

DOW JONES STOCK AVERAGES



LOANS TO UTILITIES

Will Merely Postpone Resumption of Public Investment on Large Scale

BY DOROTHY THOMPSON

THE latest proposal that the R.F.C. lend money to the utilities is just another measly dose of aromatic spirits of ammonia to a heart whose illness needs immediate diagnosis and real, curative treatment.

Utilities are a twelve to thirteen billion dollar industry in the United States. They need about two billions of new money. One reason they need money is due to past abuses, to capital write-ups, which have, however, been drained off in the course of the last eight years. The other reason is the due to perfectly normal expansion. In eight years the industry has been constantly expanding, and has, nevertheless, raised practically no new money. Now it is ready to absorb a huge amount of fresh capital and translate it immediately into construction work that would create great activity and equal or exceed in its effects the whole pump-priming program.

Due to the fact that the utility industries turn over their money only about once in five years, as contrasted with general manufacturing, which turns it over, normally, more than once in twelve months, there is many times as much capital behind every gross dollar in utilities as there is in ordinary business, and, therefore, the cost of money becomes the first or second most important item in the utilities' costs, and the price of money is a decisive factor.

Inasmuch as world-wide monetary policies, plus those of this Administration, have created the cheapest money rates in two generations, the last years, and the present moment would seem an ideal time to finance utilities, and to raise money both for bonds and preferred stocks, and for common equities.

The latter money, money that will take risks, is especially needed. The utilities don't need to increase their debts. They need to increase

their working capital. The capital structure ought—so I am told by experts—to be built up of about 50 per cent. bonds, 25 per cent. of preferred stocks and 25 per cent. of common.

But common now is only about 15 per cent. in the industry as a whole. And certainly the government, which has adopted the "prudent investment" theory, ought to be logical and not encourage the industry to increase its debts!

The reason why the utility industry is suffering from capital anemia is not because money is scarce. It is plentiful. Not because rates are high. They are the lowest in history.

It is suffering because the investor, be he a large investor or a small one, won't buy utility stocks. Why should he? Would you? And he won't buy utility stocks because he hasn't the remotest idea what the government is going to do next in the power field.

All that is necessary to rehabilitate the utility industry is a government policy. Almost any kind of a policy. But a policy. A clear policy. A policy that demarcates the fields of government operation and of private operation and sets definite terms. At present if an investor buys utility stocks his chief gamble is not on the efficiency of the company's management. It's on what may be going on in the mind of the President and his advisers.

THE utility problem can be solved expeditiously and easily, provided there is a desire to solve it, and not to keep alive a "power issue" for the benefit of politicians. But one suspects that the government prefers a power issue to recovery, just as French "statesmen"—save the mark—after the war preferred a reparations issue to recovery.

The government, if it wants solution and recovery, can take one or two courses. In areas where it is operating it can create a power pool, on the English pattern, which means, simply stated, to throw all power interests—public and private; generating plants and transmission lines—together; make a quasi-public corporation, valorize everybody's investment, and save the government from running any project like the T.V.A. at an enormous operating deficit.

Or, if the Administration has decided that government should acquire large areas for public operation, then define the areas, for ten years in advance, and establish a policy of buying out the present investors, progressively, paying dollar for dollar of invested capital. The latter course is absolutely essential, if what we are interested in is the reinvestment of private utility capital and not an investment of political demagoguery.

The government can, of course, compete in certain areas with the private utilities, and then buy them out at a third or a fourth of cost.

It can bankrupt them and buy them at a fire sale. But this is an idiotic procedure. Because it will simply mean that in areas where the government is not operating, where it cannot operate, at least for many years, where private industry must, therefore, furnish the services, it will be impossible to get money. Who is going to invest in an industry that may be forced next week or next year to its knees? If the investor knows that even if the company whose stock he buys should be socialized his investment will still be protected, then he will invest. In other words, he will know that he may be compensated but not confiscated.

I MAY add that when the British took over certain private utilities in connection with setting up their power pool or grid, they capitalized *earning prospects*, a much more generous arrangement than is proposed in the United States, and the socialist economist, Ernest Davies, in a pamphlet dealing with the problem of the transfer of industries from private to public enterprise recommends that compensation should be based on a combination of capital valuation plus the potential earning power of the concern.

But unfortunately U.S. policies are made by people who are often sadistic anti-capitalists, without being anything so clear-headed as a socialist.

They seem to think that the way to socialize any industry is first to losses.

What the consumer wants is cheap power; what the taxpayer wants is public enterprises that pay for themselves without his annual subsidies, and what the private investor wants is a little economic security. But we guarantee bank deposits and turn utility investments into lottery tickets, and expect the public to exchange their guaranteed money for a sweep-stake bet!

IF THE government would define its power policy; that is to say, make clear where it intends to operate, and under precisely what conditions vis-a-vis private enterprises already in the field; lay down rules governing any transfer from private to public ownership which would protect the private investor, and find a way by which reorganization under the holding company act can be effected gradually and co-operatively—if it would do these things there wouldn't be any utility problem, and there would be no difficulty whatsoever in raising two billions of utility investment dollars and putting them to work.

Were this problem straightened out you could raise a hundred dollars of private money for every single dollar that the utilities will borrow from the R.F.C.

The basis for an increase of public investment can be found. It was nearly found in early autumn of 1936, before the power pool committee was suddenly dissolved. We respectfully suggest that Congress demand that it reconvene.

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Most of the Yellowknife Properties are held by the larger mining development companies, using their own funds for their own profit. This is one of the few real opportunities in which the public may participate.

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D. R. MacDougall.

4. Near neighbours, such as Mining Corporation, Consolidated Mining and Smelting and many others, from whom reports of rich finds are coming in almost daily.
5. Financing in charge of F. A. Walpole, Managing Director, Galloway Gordon Lake Mines Limited, whose offering of syndicate units was heavily oversubscribed.

We believe this Offering, too, will be over-subscribed and that those wishing to participate should forward subscriptions at the earliest possible date.

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MINES

BY J. A. McRAE

NORANDA MINES is setting a fine record as shown by gross income of \$5,795,000 for the first three months of 1938. The record shows \$2,889,000 in gold produced, thereby showing Noranda to be one of the more important gold producers in the country, although generally regarded as a copper mine. Net profits for the quarter were \$1.24. Officials express the thought that the current year may see somewhat higher prices for base metals.

McIntyre-Porcupine still clings to the modest dividend rate of 50 cents per share quarterly, having declared that amount payable May 2 for the second quarter. Net profits more than double this rate of distribution and are swelling the cash reserves to new high levels.

McWatters Gold Mines made a net profit of \$33,166 during 1937, or 1.7 cents per share. Production for the year was \$423,216 from 34,401 tons of ore.

Bralorne Mines produced \$2,894,209 during 1937 and realized net profit of \$1,236,750. This was equal to 99 cents per share. Ore reserves are estimated at 520,000 tons containing 260,250 ounces of gold.

Pickle Crow produced \$677,571 during the first three months of 1938, thereby breaking all former records, according to official advice. The mill is up to an average of over 10,000 tons of ore monthly, and the recovery is averaging between \$22 and \$23 per ton in gold.

Hallnor Mines will begin milling operations in July at 250 tons daily. The ore is high grade and this will add another important gold producer to the Porcupine group.

Perron Gold Mines produced \$99,457 during March, the average recovery being \$9.42 per ton.

Sherritt-Gordon, which just resumed operations in August, produced a gross of \$975,755 and showed an operating profit in 1937 of \$149,623. In addition to regular scope of production, a program of increased development is outlined.

Sales of copper at a little above 10 cents per pound is one of the encouraging trends in regard to base metal mining, and is important to such mines as Noranda, International Nickel, Falconbridge, Sherritt-Gordon, Hud-

son Bay Mining & Smelting Company, Con. Mining & Smelting Co., Waite Amulet, Sudbury Basin and other enterprises.

Ventures, Ltd., realized a net profit of \$784,951 during 1937, or 49.8 cents per share.

McKenzie Red Lake had a gross income of \$850,178 during 1937 and a net profit of \$282,287. This amounted to 9.73 cents per share compared with 7.64 cents per share in the preceding year.

Arntfield Gold Mines is expected to produce an average of close to \$33,000 per month from this date forward. The mill is operating at 250 tons daily and the ore carries \$5 per ton.

Little Long Lac Gold Mines produced \$145,500 in March from 8,100 tons of ore. This set a new high record. The mill is treating an average of 270 tons of ore daily. Output for the first quarter of 1938 was \$421,500.

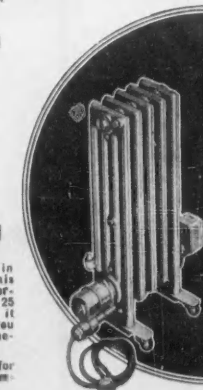
Take "Heat on Wheels" to your Summer Cottage

On cool evenings and chilly mornings at your summer home, "Heat on Wheels"—the Burnham Portable Electric Radiator—will give you warmth and comfort. This handy radiator heats quickly, economically. Plug it in any base outlet as you would a floor lamp—a thermostat shuts the current off automatically as soon as the room temperature reaches the desired point.

- Heat in a Jiffy
- Safe
- Moves on Casters
- Thermostat Control

Ideal for use in the city too, this Burnham operates on either 25 or 60 cycle—it comes to you ready for immediate use.

Write to-day for price and complete details.
LORD & BURNHAM CO., LTD.
513 Harbour Commission Bldg., TORONTO



Why Concentrate on Beer?

Opponents of Government Control concentrate their attacks on our industry. This alone, to any thinking man, is enough to throw doubts on their wisdom.

If the cause of true temperance is their object, rather than a tactical advantage, they surely should not devote so large a part of their time to attacking the mildest of alcoholic beverages, and one which is not habit-forming.

But because a democratic law makes our product available by the glass to working men, under Government Control, the opponents of the present system seek to drive drinking underground—where they do not see it. The truth is, that the individual is less likely to commit abuses in public, and the abuses are more easily correctable.

In fact, licensed hotels are very seldom the scene of excess. Because an intoxicated man is seen near a hotel—it does not follow that he acquired the means of intoxication in a hotel. But it does provide the unthinking people with a useful text . . . if they do not bother to prove their conclusions.

We find no definite evidence to support the theory that satisfying the taste for beer develops a craving for whisky. On the contrary, we believe that if beers . . . are more easily obtainable than distilled liquors and are sold in different conditions, there is reasonable ground to expect that the taste of those who wish to drink will be diverted to the lighter and less harmful beverages.

"Toward Liquor Control"
compiled by Rockefeller Committee

• This advertisement is inserted by the Brewers in the interest of a better public understanding of certain aspects of the problems of temperance and local option.

WHEAT SEEDING NOW GENERAL

Ideal Moisture Conditions Give West Most Favorable Crop Prospects in Years—Rust-Resistant Wheats

BY F. C. PICKWELL

Manager of Saturday Night's Winnipeg Bureau.

SEEDING operations are now general over all parts of the prairie provinces—at least where not held up again by too much precipitation. During the week ending April 23 most of Manitoba and Saskatchewan have fitted enormously through heavy falls of snow (and rain) ranging from two to seven inches. This followed similar storms earlier in April, soaking into the soil at leisure and backed by fairly normal subsoil conditions. Consequently there is more genuine reason for optimism over the western outlook than has prevailed for several years. It is a long time since the seedbed was prepared under such ideal conditions.

One of the leading agricultural authorities, *The Country Guide and Nor-West Farmer*, issued a reassuring general review under date of April 18, prior to the above developments. The editor pointed out that the fall precipitation was good, being followed by a winter of heavy snow, which lay where it fell. The snow went away early, and one or two subsequent snowstorms added more moisture. The first half of April was cool and aided conservation. Then it turned mild, providing ideal seeding weather.

It can be taken as a general rule that satisfactory moisture and seeding conditions are fifty per cent assurance of a crop. Getting the seed germinated and the crop rooted is half the battle. The other fifty per cent assurance has to be supplied by the seasonal summer rains. Provided they arrive the only major disaster to overtake the crop has been rust. For this year's seeding there is an ample supply of the rust resistant Thatcher variety, and it has been widely distributed over Manitoba and Eastern Saskatchewan, where rust has been most devastating. Last winter Dr. Geddes, of the Milling and Baking Laboratory, Winnipeg, went to England and supervised tests of Thatcher for the British milling and baking interests. The result was eminently satisfactory, and next fall Thatcher will be given the same grades as Marquis. This is a matter of great importance. A rust resistant variety has been developed which will not reduce the quality of Canadian Wheat.

ALL in all the experts agree prospects are better at time of writing for at least an average crop than they have been since 1933. With the exception of a few small areas in Southwestern and Central Saskatchewan, and Southeastern Alberta, the reserve or subsoil moisture is up to normal. In some districts they are better.

There is a possibility (particularly in Southern Saskatchewan) of a reduction in acreage, owing to the difficulty some of the drought affected farmers may have in financing the necessary seed purchases. But in this there should not be any lack of sympathetic co-operation on the part of federal and provincial authorities. After what the drought-ridden farmers have gone through in recent years any such public indifference would be inexcusable, when there is a reasonably good chance of a comeback being staged.

The Dominion Associated Committee on Grain Research met in Winnipeg recently and considered in detail the important problem of rust-resistant wheat. These expert recommendations are important, because they may influence decisions of the Board of Grain Commissioners in connection with the grading of new varieties. The committee reached this conclusion about rust-resistant wheat:

That Thatcher, being of a quality equal to Marquis, is eligible to go into all Manitoba Northern grades. Corotation, however, has some defects in milling and baking qualities, and should not be permitted to go into the top Northern grades. A variety produced by a private Manitoba plant breeder, McMurray's Selection, was adjudged as extremely poor in all the major baking quality characteristics. For that reason it should not be in any grade higher than No. 4 Northern. Another variety, Glenwood, was found not to have satisfactory rust-resistance.

The committee also announced that the Winnipeg Rust Research Laboratory had under test two new strains of rust-resistant wheat—R.L. 1097 (crop test 115) and R.L. 975-1 (crop test 124). These showed promise of being better than any rust-resistant variety now available, but would have to be subjected to additional tests for several years before their official status can definitely be determined. Meanwhile the small stocks on hand are being multiplied by government institutions.

New strains produced by the Dominion Experimental Farms which showed promise, some for better resistance to drought and others for earliness combined with quality, were also under test. Strenuous efforts are being made to produce a variety that will be approximately as early as Garnet, and having the high quality of protein and gluten that Marquis enjoys. But it will be some time before tests on the new selection are complete.

THE present situation in connection with rust-resistant wheats available to farmers may be summarized as follows:

THATCHER—Equal to Marquis in milling and baking value. Three days earlier than Marquis and somewhat higher yielding with the defect, however, that the kernel is dull-colored and smaller than Marquis.

RENOVN—Equal to Marquis in milling and baking value. Yield about equal to Marquis. Slightly earlier than Marquis. Renown has a fine large bright red kernel.

APEX—Equal to Marquis in milling and baking value, but somewhat lower yielding than Thatcher, and slightly later than Thatcher, but a

trifle earlier than Marquis. Has a nice large bright kernel.

Until some of the new strains under test are developed, these are the only varieties recommended for use by prairie farmers.

Canada's wheat production in 1937 totalled 180,410,000 bushels, the worst of a long series of lean years. The acreage planted amounted to 24,000,-



WALLACE R. CAMPBELL, President of the Ford Motor Company of Canada, Limited, who, in commenting at the annual meeting of shareholders on the fact that automobile prices are higher in Canada than in the United States, stated that in the past five years Canadians have paid \$18,239,224 more for Ford products than comparable prices in the U.S. However, in that period the Ford industry in Canada has paid nearly \$42,000,000 in wages and salaries and spent a total of more than \$132,000,000 for Canadian goods and services. These figures show that the income distributed among Canadians as a result of Ford operations is more than seven times as great as the difference between Canadian and United States prices.

OIL

BY T. E. KEYES

GASOLINE can be obtained in large quantities on a commercial basis from natural gas; such was the context of a story carried by the daily press last week. However, gasoline is only one of the products that can be made; in addition to this, I am told, carbide black, ammonia, fertilizers, perfumes and even Scotch whiskey can be obtained in commercial quantities from natural gas.

The story on gasoline comes from Dr. K. Frolich, director of the chemical laboratories of the Standard Oil Development Company, Elizabeth, N.J. Reforming is the technical name for this conversion. This process although, in its infancy, is reported by Dr. Frolich to be capable of adding immediately 4,000,000,000 gallons of gasoline to the U.S. supplies.

This discovery means a great deal to Canada, as natural gas is found in great quantities over large areas in Western Canada. I am told the University of Alberta has been doing research work along these lines for several years in the hope of finding a process to make use of the natural gas wasted or burned in Turner Valley. I am also told that W. F. Thorn, Vice-President and Managing Director of Franco Oils, has already made plans to manufacture some of these by-products.

The most valuable product is gasoline; next is carbide black, which is used in making automobile tubes, paints, etc. Under the latest discoveries of extracting gasoline, Dr. Frolich said, natural gas and petroleum rate equally as resources. Gas can be reformed into liquid fuel by the same cracking process which in the recent past has more than doubled the amount of gasoline obtainable from crude oil.

The last two weeks have seen three new wells put on steady production in Turner Valley. West Turner No. 1 well came in with an initial flow of around 1,400 barrels per day. Brown Oil No. 4, which recently entered production, was temporarily prorated at 913 barrels per day.

Davies No. 1 well, which encountered some bad luck a few weeks ago, has now overcome its trouble, and its flush production after acidization was reported to be at the rate of 1,600 barrels per day. It is estimated that each of these wells will produce over \$1,000,000 worth of oil; consequently they are very important additions to the assets of these companies.

The Oil and Gas Journal published in Los Angeles and considered very reliable, in its issue of April 7 discussing Western Canada oil fields. "The region has been less thoroughly prospected for oil than had the western interior portion of the United States 15 or 20 years ago." Again on page 19: "Exposed along Athabasca River and its tributaries near McMurray, 250 miles northeast of Edmonton, is probably

the greatest single known oil reserve in the world. Estimates by Max W. Ball place the oil content of this sand body of lower cretaceous age at 1,000,000,000,000 to 5,000,000,000,000 barrels." The article in question was written by Joseph S. Irwin, one of the continent's well-known geologists, and would indicate that Canada will one day be a leader in the world's oil industry.

Commoil directors have declared a distribution of 5 cents per share payable May 25 to shareholders of record May 10. In future, distributions of the same amount will be made as often as available from 50 per cent of the net production of No. 1 well which is assigned for dividend purposes. Total shares outstanding are 891,627, of which Commonwealth owns 490,000 shares. This company's share of the distribution will be \$24,500.

Franco Oils No. 1 well at Cardston, where the company holds 20,000 acres, presently drilled to 4,700 feet, is changing to rotary. Its No. 4 well at Unity, Sask., is reported to have run into heavy gas pressure, which is making drilling difficult. Recent production tests on its three producing gas wells in the Kinsella field show over 60 million cubic feet per day.

Guardian Oils Ltd. is reported to be moving equipment to Pouce Coupe, a structure in the Peace River country. The company plans to drill a deep test well here.

Reports from Calgary state the new 6-inch pipe line will be placed in operation around May 1. Total pipe line facilities will then carry 24,000 barrels per day or about double present capacity. This should mean an increase in proration.

Plains Petroleum operating at Taber, Alta., is reported to be shipping oil to Regina refineries. The management expects its No. 4 well to be completed within 60 days.

Recent production tests released by officials of the Alberta government show substantial increases for several of the Anglo-Canadian wells. The new daily potentials are as follows: Prairie 2,666 barrels, against the old 1,490; Monarch 663, against 591; Westfank No. 2 797, against 666; Westfank No. 3 387, against 312.

NEW BOOKS

CANOE TO AEROPLANE
"A History of Transportation in Canada" by G. P. de T. Glazebrook; the Ryerson Press, Toronto; 475 pages. Price, \$5.50.

BY PAUL CARLISS
IT IS the fashion these days to interpret events in terms of either fascism or communism—or at least in terms of dictatorships or democracies. The failure of any plan or policy in a democratic state is an indictment of democracy itself; the success of any experiment undertaken by a dictator is hailed as proof of the



J. Y. MURDOCH, President of Noranda Mines Limited, who told shareholders at the annual meeting that net profits for the first quarter of 1938 were equal to \$1.24 per share, as against \$1.17 for the first 1937 quarter. However, as the trend of net profits was downward during the quarter, earnings in the second quarter may be somewhat below the first quarter figure, he intimated. Mr. Murdoch said he personally would not be surprised to see copper prices rise somewhat this year.

—Photo by "Who's Who in Canada."

Montreal Tramways Company

ANNUAL REPORT

For the Year Ended December 31st, 1937

Report of the President and Directors

FOR THE YEAR ENDED DECEMBER 31st, 1937

To the Shareholders:
Your Directors herewith submit their Annual Report for the year 1937.

Surplus brought forward December 31st, 1936	\$ 5,704,601.88
GROSS REVENUES:	
Car Earnings	\$11,126,288.57
Autobus Earnings	1,738,564.38
Miscellaneous Earnings	562,520.64
	13,227,373.59
DEDUCT:	
Operating Expenses and Taxes (including Autobus Depreciation)	\$ 8,040,134.34
Maintenance and Renewals	1,850,094.76
	9,890,229.10
Interest on Bonds and Foreign Exchange	\$ 2,422,409.01
Reserve for Financing:	
Year 1937	\$181,431.47
On Account of Arrears 170,236.66	
	351,668.13
	2,774,077.14
	\$4,267,669.23
DEDUCT:	
Transferred to Reserve for Depreciation	\$ 1,000,000.00
Dividends for the year	650,000.00
	1,650,000.00
Surplus, as per Balance Sheet	\$ 2,637,669.23

FINANCIAL

The preceding statements set forth the financial results for the year.

On the 20th May, 1937, the Province of Quebec passed the Statute 1 George VI, Chapter 104, under which provision was made that the Lieutenant-Governor-in-Council might create an Investigating Committee with power to examine and value the assets of the Company and to investigate its financial structure and general operations. This statute further provides as follows:

"Notwithstanding any general law or special act to the contrary, the Montreal Tramways Company shall agree to and must pay to the City of Montreal, to form part of the revenues of that City, the sum of one million dollars payable in four instalments of a quarter of a million each, the first instalment payable on the day of the sanctioning of this act; the second, on the first day of August, 1937; the third, on the first day of December, 1937, and the last on the first day of March, 1938.

"The payment of the said sum of one million dollars applicable to the rentals stipulated in the contract mentioned in section 4 shall be made without prejudice to the rights of the City of Montreal and to those of the Montreal Tramways Company.

"In compliance with this Statute the Company has paid to the City of Montreal during the year 1937 the first three quarterly instalments amounting in the aggregate to \$750,000.00 and will pay to the City of Montreal on the first of March, 1938, the fourth instalment of \$250,000.00.

On the first of July, 1937, the Company entered into a three-year Wages Agreement with its employees restoring the wage scales in effect prior to the reductions made on the first of January, 1937.

This increase in wages will bring about an increase in the Company's Operating Expenses for 1938 of approximately \$500,000.00.

The number of Revenue Passengers for 1937 was as follows:

	TRAMWAYS	AUTOBUS	TROLLEY	TOTAL
1937	180,736,531	25,745,997	1,726,265	208,208,793
1936	176,491,538	22,135,369	1,726,265	198,626,900
Increase	4,244,993	3,610,628	0	7,855,621
Increase per centum	2.41%	16.31%	0	4.82%
Miles operated are as follows:				
1937	25,295,262	6,448,515	256,693	32,040,470
1936	25,695,173	5,926,951	256,693	31,878,817
Increase	240,089	521,564	0	761,653
Increase per centum	.95%	8.80%	0	3.22%

ROLLING STOCK

Gas Buses—During the year eighteen old buses were scrapped and thirty new transit type buses were purchased at a cost of \$372,791.49.

Trolley Buses—On March 29th an experimental fleet of seven trolley buses was put into operation on Beaubien Street. The cost of these buses was \$59,462.98 and the cost of the necessary electric lines and feeders was \$45,767.81, or a total cost of \$105,230.79. These buses were purchased in England and are considered to be the finest vehicle of this type now in operation. On the whole they have rendered very satisfactory service. The cost of the first three quarterly instalments amounting in the aggregate to \$750,000.00 and will pay to the City of Montreal on the first of March, 1938, the fourth instalment of \$250,000.00.

PROPERTY

The combined Waiting-room and Garage on George V Street as mentioned in the Company's last Annual Report was duly completed and is furnishing satisfactory accommodation to passengers to and from that district.

Bus service was substituted for tramway service between Woodland Avenue and Fourth Avenue in Ville Lasalle. The total mileage for the round trip is 4.77 miles.

A new bus route was established in Notre Dame de Grace from the corner of Draper Avenue and Somerset to the corner of Westmount Boulevard and Claremont Avenue. This bus service is operated during rush hours only; the number of passengers carried has steadily increased and the service has been fully justified by the results obtained.

FARES

No change in fare was made during the year. The average fare was 6.16 cents, being 2.69 cents less than the average fare in effect in all cities on this continent with a population exceeding 100,000.

TAXES AND SNOW REMOVAL

During the year the Company paid as follows:	
To the City of Montreal:	
Snow Removal	\$ 211,149.50
Taxes	484,902.08
	\$ 696,051.58
To the Cities of Westmount, Outremont and to other Municipalities:	
Snow Removal	\$ 30,922.26
Taxes	21,999.99
	\$ 52,922.25
To the Federal Government:	
Income Tax	23,193.13
To the Provincial Government:	
Taxes, including Gasoline and Income Tax	113,309.21
	\$ 885,146.17

The Company has paid to the City of Montreal, from 1918 to December 31st, 1937, the following amounts:

For Snow Removal	\$ 4,110,523.74
For Annual Rental	7,942,694.03
For Taxes	7,022,278.94
	\$19,075,496.71

Expended by the Company for Maintenance of Street Pavement

	\$ 3,387,535.50
	\$22,463,032.23

Your Company was pleased to win the Anthony N. Brady Memorial Medal and Diploma for "High Achievement in the Promotion of Safety on Transit Systems of the United States and Canada, operating in cities of 500,000 population and over, 1936." This award, which is the highest of its type, marks a new achievement for the Montreal Tramways Company. The competition is sponsored by the American Museum of Safety and the American Transit Association.

Your Directors regret to record the death of Mr. George Caverhill on June 6th, 1937, and of Mr. Kenneth B. Thornton, on February 10th, 1938. The late Mr. Caverhill had served as a Director of this Company for many years; the late Mr. Thornton was appointed Assistant General Manager in 1925, and acted as such until 1930, when he was appointed General Manager of the Company.

Mr. D. E. Blair, former General Superintendent of the Company, has been appointed General Manager to succeed the late Mr. Thornton.

Your Directors wish to place on record their appreciation of the loyal and efficient service rendered by the officers and employees of the Company during the past year.

Submitted on behalf of the Board of Directors,

JULIAN C. SMITH, President.

General Balance Sheet

AS ON DECEMBER 31st, 1937

ASSETS	
Property and Equipment as on December 31st, 1937	\$41,415,033.25
Less Reserve for Depreciation	3,000,000.00
	\$38,415,033.25
Net Additions January 1st, 1918, to December 31st, 1937	19,233,136.69
Investment for account of Guarantee Fund	\$57,648,169.94
Securities (including Company's Own Bonds and Shares of Subsidiary and Associated Companies)	2,561,420.09
Cash in Bank and on Hand	235,607.88
Call Loans	1,325,000.00
Accounts Receivable	34,968.82
Deferred Charges	299,455.47
Stores	460,021.75
Balance due Company under Contract on account Financing Allowance years ended December 31st, 1934, 1935 and 1936	\$ 342,444.02
Less earned year ended December 31st, 1937	170,236.66
	172,207.36
	\$63,254,851.31

Verified in accordance with our Report of this date, Montreal, February 25th, 1938.

SHARP, MILNE & CO., C.A., Auditors.

LIABILITIES	
Capital Stock "Common" (70,000 shares of \$100.00 par value)	\$ 7,000,000.00
First and Refunding Mortgage 5% Gold Bonds, due 1941:	
Authorized	\$25,000,000.00
Less:	
Bonds delivered Trustee to be held as additional security for General and Refunding Mortgage Bonds—	\$2,260,000.00
Unissued Bonds—	1,389,000.00
	3,649,000.00
General and Refunding Mortgage Sinking Fund Gold Bonds, due 1935:	
(Authorized \$100,000,000.00)	
Series "A," 5%—	\$17,826,500.00
Series "B," 5%—	2,600,000.00
Series "C," 4 1/2%—	2,500,000.00
Series "D," 5%—	5,000,000.00
	\$27,926,500.00
Less: Redeemed by Sinking Fund	1,117,600.00
	26,808,900.00
Series "E," 5% Bonds	\$ 2,000,000.00
Less: Redeemed by Sinking Fund	158,200.00
In Treasury	\$ 1,841,800.00
	48,159,900.00

Accounts and Wages Payable 341,410.88
Accrued Bond Interest (Payable in U.S. Dollars and Sterling) 332,289.60
Employees' Security Deposits 25,626.94
Dividend Payable January 15th, 1938 157,500.00
Surplus Account (Including reserve for taxes and foreign exchange) 729,859.15

Reserves in accordance with Provisions of Contract—
Maintenance and Renewals Reserve \$ 301,981.25
Contingent Reserve 300,000.00
Depreciation Reserve, Autobus 885,809.19
Reserves for Company's Account—
Reserve for Financing 1,485,284.56
Reserve for Redemption of Unredeemed Tickets 500,000.00

Surplus 2,637,669.23
Total \$63,254,851.31

Approved on behalf of the Directors:

Signed: GEO. H. MONTGOMERY } Directors
J. P. B. CASGRAIN }

Certified Correct: A. A. BOIRE, Chief Accountant.

triumph of fascism. So it is that our most glaring example of national inefficiency—the public railroads—has been laid at the door of responsible government. Under a Mussolini or a Hitler one can imagine how the problem would be solved.

In this country however we appear to be congenitally unable to cope with our major domestic difficulties, with the result that the railroad dilemma remains our most perplexing problem and one of the most frequent topics of speeches, articles and political debate. At least fourteen royal commissions have investigated and reported on our railways, canals and roads during the past fifty years and each year we seem to be as far from a rational solution as ever.

The latest volume dedicated to the subject of transportation in Canada is an entirely dispassionate history of events and recording of facts. No flaw of prejudice in the mirror is allowed to distort the reflection of the situation as it has actually developed and now exists.

The author's attitude toward amalgamation of the railroads is indicated by the following: "Such was the state of the railways in the years of the depression, that is, under conditions which touched the railway structure at its weakest point. The Canadian Pacific adopted a perfectly logical policy, and one that could be defended from the point of view of the company or the country. But logic is never a fixed commodity and the public as a whole was more ready to face deficits than monopoly. It was hard to startle a people who had already contributed a billion and a quarter dollars in cash, a like

amount in guarantees, and an empire in land, so that railways might run 'through the Dominion.'

No more than that. No effort to state a policy or provide a solution. If the reader impatiently turns from page to page anticipating a workable approach to the railway problem he is doomed to disappointment.

THE perusal of Professor Glazebrook's history may nevertheless prove satisfying in one respect; for it provides ample evidence that the over-development of our transportation facilities cannot be blamed upon any one person or party. Rather, like Topsy, the situation 'just grew'. When in the early years of the present century immigrants were pouring into this country at the rate of 300,000 to 400,000 a year and the phenomenal growth of our industries gave to our economic life the appearance of perpetual prosperity, it must have been a strong force indeed that could have withstood the demand for more and still more railway mileage.

Fate played a cruel trick on us by painting such a rosy picture of our future in the twentieth century—"Canada's Century"—and then leading us into a war and a series of depressions.

"A History of Transportation in Canada" is another of the Canadian-American Relations Series—studies prepared under the direction of the Carnegie Endowment for International Peace Division of Economics and History. It starts in with transport by water in the days of the fur trader; traces the growth of travel by sail and later by steam; records the canal-building era; develops in de-

tail the construction and expansion of the railways; and finally comments on the modern methods of transportation by motor vehicle and aeroplane. Considerably more space is devoted to transportation in the early days than to the difficulties which have arisen from competition between road, rail, water and air services. This is a history, however, and not an economic treatise; let someone else work out the solution to the problem of too little to carry and too much to carry it with!

ASIDE from the fact that Professor Glazebrook has skated around the controversial aspects of his subject he is to be congratulated on the general excellence of his book. He has selected his material with care and presented it with clarity. If any criticism must be offered it is that the volume is too long; much of the material is available in other published works on the same subject, while less detail would permit a truer perspective.

In contrast to the periphrasis of the main work is the concise introduction by H. A. Innis who has contributed previously to the success of this series of economic and political studies. His foreword is itself a monograph of Canadian transportation. However, all students of the subject will doubtless find the entire volume to be of interest and value.

Financial Editor, Saturday Night:

I thank you for your excellent advice, which I have followed through your columns, with satisfactory results.
—R. T. S. St. Catharines, Ont.



BANK OF MONTREAL
ESTABLISHED 1817
ASSETS OVER \$800,000,000

MODERN, EXPERIENCED BANKING SERVICE . . . the outcome of 120 years' successful operation

HEAD OFFICE, MONTREAL

THE ECONOMICS OF REARMAMENT

The Nature of Rearmament Expenditures—Taxation as a Factor in Prices—The Deficit Financing in France

ALTHOUGH it is now rather confidently asserted in authoritative quarters that the immediate danger of a European conflict has been averted it cannot be concluded that the clash of international policies will have no long-run economic consequences, says the Monthly Letter of A. E. Ames & Co., Ltd.

The coup in Austria has extended the sphere of German influence in Central Europe and it is no secret that that influence has objectives, both political and economic, which might be satisfied only by military action. The alternative is appeasement through collective security, but even some of the strongest proponents of that course have recently

been expressing doubts of its efficacy.

No clear conclusions have been expressed as to the influence that certain economic disabilities faced by Germany may have on her military decisions. The lack of access to essential raw materials, the comparative scarcity of foodstuffs and the reputedly insecure foundations of the German economy would be distinct handicaps in a long war of attrition such as that from 1914 to 1918. It is not clear, however, that the strategy would be similar, recent precedents having suggested the preference of aggressor nations for swift and terrifying subjugation.

These menacing possibilities have not been overlooked by any government and recent events have served to emphasize the necessity of accelerating and enlarging rearmament. Within a few days of the German coup budgets in many capitals were increased to provide for the contemplated expansion of armament expenditures.

So great are these disbursements likely to be that an investor cannot ignore them. Indeed they raise immediate questions as to the methods required to finance them and as to their possible consequences.

IN THEIR simplest elements rearmament expenditures require the acquisition of purchasing power by governments in order that they may command the supplies and services necessary to provide war materials in fabricated form. Thus the cost of the Great War, in direct monetary terms, was estimated to be about \$150 billions. To transfer any such sum for government needs in a short period of time by tax imposts is manifestly impossible. Where then did the money or purchasing power come from?

Taxation, representing a levy upon earned income and savings, was used by all participants in the conflict but by far the largest source of purchasing power was derived from government bonds or notes financed in largest part by an expansion of bank credit. It is not necessary here to explain the detailed processes by which this expansion was achieved. Such a process, contrary to popular belief, does not result in getting something for nothing. Quite apart from the strains and stresses that it involves is the further fact that such inflationary borrowing results in the creation of liabilities whose principal and interest can be discharged only out of future taxation. In other words, inflationary government borrowing, whether it be for war purposes, for rearmament or for unproductive purposes of any nature, is merely the coining of future taxes into a present means of payment.

In essence it places credits in the hands of government which are drawn upon and disbursed in exchange for the goods and services required. In turn the suppliers of the goods and services find themselves in possession of purchasing power which exerts an influence throughout the economic organization whenever it is used.

A STRIKING example of the effects of such inflationary borrowing is to be found in the case of France which has been renewing its tragic experience with deficit financing, after an extended period of improvement in its financial position. Uncontrolled government bor-

rowing at the Bank of France during the post-war inflation may be compared with somewhat similar procedure at the present time.

	July, 1926	March, 1938
*Borrowings-Bank of France . . .	Fr. 38,350	Fr. 36,673
*Note Circulation . . .	Fr. 55,005	Fr. 94,815
Gold Value of		
France	1.96 cents	1.77 cents
Cost of Living Index (June 1914=100) . . .	505	619
* In Millions of Francs		

It may well be asked how the enormous increase in government debts in the war and post-war years have been sustained. In some cases, of course, it is quite obvious that the strain induced default but in many other cases, as for example in Great Britain, the United States, the Scandinavian countries and Canada, the war and post-war debts held by the public have been serviced regularly. It is not so generally realized, however, in what way the heavier amount of taxes necessary for government purposes have been provided.

IN EFFECT and again without any attempt to analyze the process in detail it can be said that the additional taxation has been provided out of the changes in the price and cost level to the extent that it has not been provided out of an increase in production. To the taxpayer, taxes are a money cost and, whether he be a wage-earner who attempts to recoup himself for the additional outlay by a demand for higher wages or a merchant who attempts to shift the tax burden by demanding higher prices whenever he can obtain them, the additional taxes are in reality largely absorbed in the prices and costs at which money transactions are completed. By devious means and with many disturbances in established relationships, the price level tends in the long run to accommodate itself to new burdens of taxation. Such changes have had in the past far-reaching economic, political and social consequences.

IN SUMMARY, therefore, two facts about rearmament on the scale now contemplated become evident. The first fact is that the budgets of most countries cannot support rearmament expenditures without recourse to borrowing. The second fact is that the continuing service charges on such borrowing to be raised by tax levies tend to exert an influence on the price level—an influence which is accentuated by the enlarged demand for labor and materials necessary for the manufacture of arma-



H. R. MILNER, senior member of the Edmonton, Alta., law firm of Milner, Steer, Dafeo, Poinier & Martland, who has been elected President of Anglo-Canadian Oil Company, Limited.

—Photo by "Who's Who in Canada".

ment. In brief international events during March will probably not be without long-term significance in their relation to commodity and security prices, foreign exchange rates and government and private finance.

Viewed in broad perspective the eventual economic tendencies resulting from rearmament are fairly clear. Yet it should not be concluded that rapid economic results are inevitable, and indeed the record of recent years indicates clearly the variable results that flow from deficit financing. The consequences of rearmament expenditures can be different at different times. For example, announcement of rearmament in Great Britain in early 1937 when world business was active and commodity prices were rising had the effect of intensifying boom conditions. Now world business and the price level are declining and armament in one sense can be regarded only as a substitute and not an addition to other production. Its influence, therefore, may not have the same immediate stimulating effect.

Moreover, in estimating the economic and financial consequences of rearmament it is advisable to have reservations in mind concerning the magnitude of rearmament activities in the economic system. Despite the acceleration and enlargement now in prospect, it is well to recall that the supplies needed and the labor required for rearmament are not more than a fraction of the goods and services available.

Nevertheless, and without attempting to exaggerate the economic importance of rearmament, it is fair to say that the methods employed to finance it and the new impact of demand inherent in it can hardly fail to exert some eventual stimulation on commodity and security prices and a strain upon foreign exchange rates in various countries.

CURRENCIES IN MELTING-POT

(Continued from Page 17)

for security, to Europe, although funds have occasionally crossed the Atlantic to London. Nor is it possible to foresee circumstances in which the U.S. political situation will grow susceptible to world conditions that her capitalists need entertain projects for shifting their funds. But if the American difficulty is purely domestic it is none the less serious. Roosevelt will not persist indefinitely in office, but before he goes he may introduce, possibly by inflationary manoeuvres, a still deeper chaos into the American Budget. And Rooseveltian methods are not those best calculated to influence favorably the country's balance of payments. Therefore, despite of its recent strength, the dollar may, on the prevailing bases of comparison, not deserve to stand higher than 5 to the £.

Sterling is uniquely placed. Save for such modifications as opportunity may commend, the relationship between British labor and British capital are settled—at any rate, they were so until the engineering unions came to doubt the advisability of supporting the foreign policy by co-operating in the armament plans. British foreign policy has been definitely tied with that of France and the United States, and the bulk of British opinion desires that it shall remain so. (It is significant that the great democratic political bloc is also the strongest currency bloc in the world). Inflation in Great Britain may be ruled out, so that the impending accentuation of arms expenditure may require a budget sufficiently hard to weaken the basis of sterling.

THAT is the position as regards the three currencies. None of them is assuredly booked either for greater strength or for a maintenance of their existing positions. The chances of a real deterioration seem equally shared between sterling and the dollar. The erratic franc may yet prove a safer boat than either of these two. But because of the genuine inter-

dependence of their positions, on the political as well as on the trading side, the Tripartite Agreement may still be sustained.

It is important to dismiss the idea that there is still a self-contained sterling bloc, a self-contained dollar bloc, and a gold bloc. It is true to say that each one of the major currencies has its satellite currencies which tend to surround it with an aura of individuality. But this disappears when the underlying interdependence of the three main groups is understood. And all are finally based upon gold. While all the three major currencies seem inclined to depreciate—the franc for political reasons, the dollar for economic, sterling specifically for armament—it is gold which naturally appreciates: hence the persistent hoarding demand.

France has written up her gold stock. This act was followed by the rumour that Great Britain would do the same. There is certainly the prospect of an appreciation in gold in the unremote future. Since this will be achieved by a currency depreciation or its equivalent, the opportunity may arise for a return to a gold standard in this great currency bloc upon a basis corresponding with the new conditions.

SOON the Bank for International Settlements will publish its report. Last year it attributed the reduction in the price of gold to the fact that stocks and supplies had increased. It would, perhaps, serve a more useful purpose if this time the continuance of these trends were introduced into an argument—which every day grows stronger—for a return to the only standard which may supersede the Tripartite Agreement as a guarantor of currencies.

Is it possible to make a stable basis for the world's currencies while the Powers are at loggerheads? The answer surely is that the currencies of the three great democracies are the basis for a potential new gold standard, and if it were established the likelihood of maintaining world peace would be greatly enhanced.



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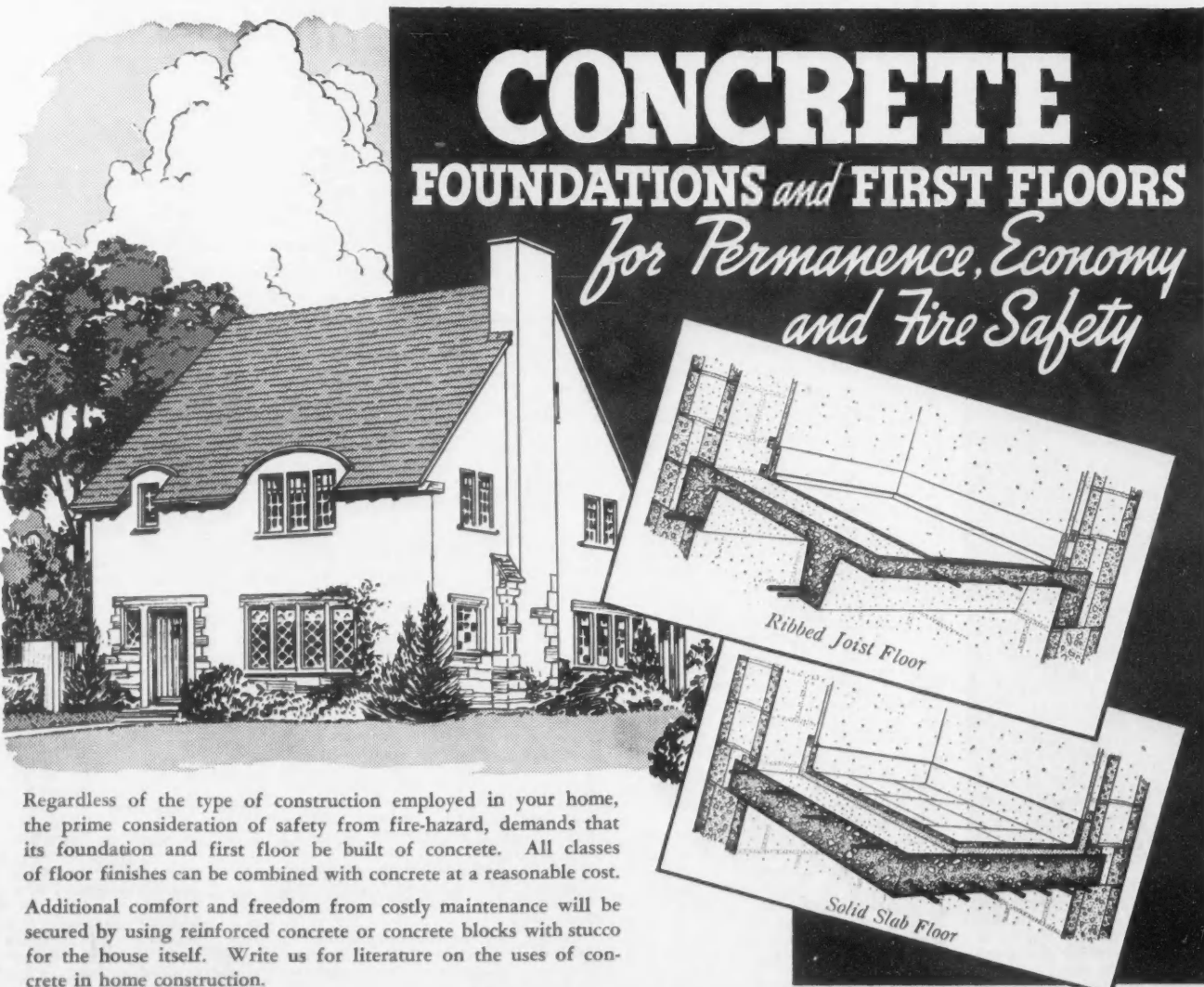
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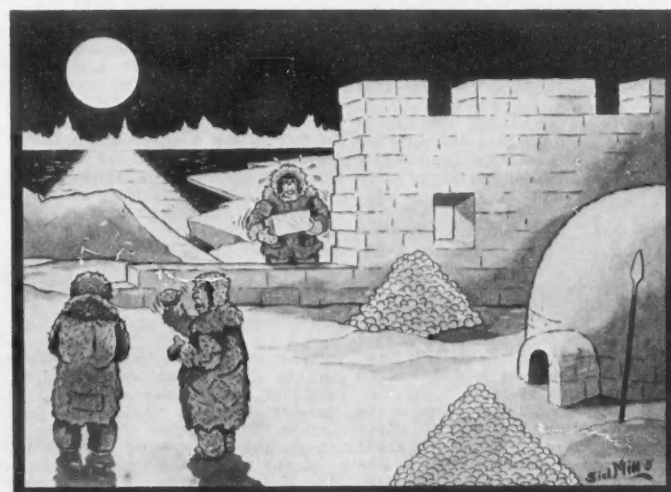


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